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POLITICAL AFFAIRS

Alksnis on Aims of USSR People's Deputies

934C0644A Moscow DEN in Russian No 52,
27-31 Dec 92 p 1

[Article by Viktor Alksnis, recorded by Nikolay Anisin, under the "Frontline" rubric: "For the Motherland, for the USSR!"]

[Text] A 300 million-strong country may be deceived at some point in time. But it cannot be deceived for a long time. Only a year, just one year has passed since a few charlatans eliminated the USSR after they promised its nations various gains from their sovereignty. But who believes their promises now? The country is sobering up, and this fact cannot be overlooked even by those who buried the Union.

In March of 1992, we, the USSR people's deputies, were preparing to conduct our extraordinary Sixth Congress, and at that time the republics' rulers unleashed a campaign of terror against us. We all were threatened with jail. Some deputies were denied any possibility of going to Moscow. Managers of all public halls in the capital were strictly forbidden to lease any premises to the Congress. But now, in December, we held the second stage of our Sixth Congress without any difficulties. The powers that be are now afraid to speak openly against the people supporting the unification of nations. The media servants of our rulers are also afraid of this, because the mood of society is changing to favor the Union.

Representatives of 10 republics participated in the work of the second stage of our USSR people's deputies' Sixth Congress. All of them were generally saying one and the same thing: Their people "have had it" with sovereignty, and they miss the united country we had before, because no single nation has benefited from its collapse and none of them have any hopes for the better.

Nostalgia for the Union means very little in itself, because the bygone unity of nations cannot be brought back by any moans or groans. A whole army of presidents and prime ministers has arisen on the road of the people's natural desire to live together, to live without borders and customs checkpoints, without dividing the people into natives and migrants. Now that these presidents and prime ministers have grabbed their personal planes and palaces, escort motorcades, and high-level visits, they will never give up these sovereign privileges voluntarily. Hordes of their minions are standing behind them, and they are in charge of the punitive organs and the press media; by using force and by manipulating the public opinion, they can block our people's unification movement. Therefore, any revival of nations may be possible only through a fight, a fight for our great and united Motherland.

The absolute majority of the USSR's people have already shed all illusions brought to them by the advocates of sovereignty. But far from everybody has experienced the

aftermath of the USSR's collapse in full measure, and it does not affect everybody in the same way. Many people of Tajikistan, which is being torn apart by a fratricidal war, are already willing, for the sake of their children's future, to face death under the slogan "Long Live the Soviet Union!" The same slogan has been popular for a long time in the Dniester region. Abkhazia and other hot spots recall it more and more often. The Union is quite indispensable now for those who want to escape interethnic feuds. It will soon become just as necessary to everyone who may not be in fear of interethnic conflicts, but is threatened by unemployment, hunger, and cold, all of which lead unavoidably to a disruption of economic links and the destruction of the USSR's single economic space.

I am convinced that after our country drinks its bitter cup of sovereignty to the last drop and comes out of its severe hangover, all Union republics—all, without a single exception—will develop political parties and movements, and they will start an open struggle for the restoration of the Union government.

What place in this struggle will be taken by the permanent presidium elected at the Sixth Extraordinary Congress of the USSR People's Deputies? It will not function as an organizing and ruling body. It will not make appointments and issue instructions. The presidium will undertake the role of a symbolic government-in-exile of a kind, whose main purpose will be to preserve continuity of power and to advocate unification for the people of the USSR. In the nearest future, our presidium intends to appeal to the republics' Supreme Soviets, asking them to start working on an economic and political integration. We realize that our appeals may remain unheeded. But we are going to repeat our appeal a second, and a third, and a tenth time. We will continue to act in spite of any failures, and we will not be stopped by any fiery storm. It is our duty to support and strengthen the people's belief in the possibility of uniting our country. If we maintain a functioning presidium of the USSR people's deputies congress, we will preserve the hope for restoring a union of nations which they all need for their security and well-being. The struggle for the Union, which is now 70, is currently a struggle for our mutual motherland.

Creation of Information Center Blasted

934C0651A Moscow NEZAVISIMAYA GAZETA
in Russian 29 Dec 92 p 1

[Article by Vladimir Abarinov: "The State Information Monopoly Is Not Collapsing. It Is Getting Stronger"]

[Text]

Power

Now that Mikhail Poltoranin has invented a position for himself, the premier is not a figure of authority for him. And instead of one minister of information, we have two, but under different names.

It appears that Russian reforms need information support. Mikhail Poltoranin has been appointed to manage this support. The support is given such important significance that a person in the rank of vice premier who is not subordinate to the premier now manages it. It is perhaps true: It is difficult to conduct reforms without possessing information. But for some reason Poltoranin headed not the Goskomstat [State Committee for Statistics] with sociological services but television and TASS. Now it is clear: He will provide information not to the reformers but to the public. The government already knows everything, but a false impression on the progress of reforms has set in among the population. This, apparently, is how the president reasoned when adding one more block to the power pyramid. Only a new name was invented for the new structure to no purpose. There are historical precedents—for example, the ministry of propaganda. Because when information is concentrated in one pair of hands, it is then transformed into propaganda.

There is no more hypertrophied sphere in the Russian state apparatus than the provision of information. It is a rare institution that has not acquired its own news service. The same can be said about the effectiveness of these news services as can be said about Bulgakov's Arkadiy Apollonovich Sempleyarov, the chairman of an acoustic commission: No matter how he tried to improve the acoustics, they remained unchanged. In large part, the officials of the news services do not do anything, they do not want to do anything, and it is unlikely that they can do anything. It is impossible to make any sense out of them. They never know anything, and at best they promise to find out and call back, but they never call back. When journalists appeal to the Law on the Press, the officials are greatly surprised and even insulted. They apparently assume that, by definition, a state employee cannot break the law. These officials wake up and fly into a rage only when it is necessary to refute the reports of the independent press. Here they immediately recall the existence of the aforementioned law and demand the immediate publication of a rebuttal "in the very same type in the very same column." In addition, they again break the law—they demand that journalists name sources. None of them bears any responsibility for false information. If the "refutation" is not corroborated, which happens more often than not, they simply lapse into silence for the last time. Extortion has become the talk of the town.

This is what Poltoranin should work on. But no: He sees his task as "to explain to the people where Russia is going." Does he really know? Then why has he been silent until now? I fear that even if he explains, I will not believe him. Excuse me, fellow citizens, for my ignorance and insolence, but just who is Mikhail Poltoranin? With what kind of work has he pleased the public? For such explanations it is necessary to have some slight prestige. I think that he will not explain anything special to us. It will be necessary to call things by their real names: Mikhail Nikiforovich does not want to fall into political

oblivion. He wants to remain in the cabinet, with the revolving door, the automobile, and various nomenklatura accessories. But the president wants to control the press—most of all the electronic press. And, of course, the strongest information agency of Russia.

One comforting fact warms the heart: The bloodthirsty deputies did not succeed in leaving the minister without a crumb. A good justification was devised for the new structure: "To break the monopoly of the Ministry of the Press and Information" (which is now headed by his friend and former deputy—Mikhail Fedotov. So that they would not come to an understanding on "breaking up the monopoly" amicably, without the institution of new posts and budgetary structures?) In order to be consistent, the president now has to establish directly subordinate branch vice premiers—according to the number of ministries. For example, why not "break the monopoly" of the Ministry of Railways? Lay parallel rails and resubordinate fast trains and sleeping cars. But we have already had presidential television. The experiment, as is well known, ended unsuccessfully—the chairman proved to be too loyal a subject.

1992 Press Developments Reviewed

934C0651B Moscow ROSSIYSKIYE VESTI in Russian
4 Jan 93 p 6

[Article by Nikita Vaynonen: "No Matter How They Poisoned Us with Insecticides... What a High Birth Rate in the Family of the Russian Press Signifies"]

[Text] At 0700, when to the passionate chords of pianist Rodionov the country sets its feet apart in an exercise position and the mailmen take to the streets... This is the way a newspaper satire began two years ago about the poor delivery of newspapers. My God, seven in the morning! Now, you cannot even expect it at nine. Everything is fraying, everything is falling apart. The sounds of morning exercises are almost the only persistent thing from the past. The skeptics also promised the inevitable crash of the press: It is impossible for it to survive, with such prices for paper and typographical work, and also in view of the predatory yoke of the monopolistic postal services! It is strange that we have not yet gotten into the Guinness Book of Records, given our super record of absurdities, which, I am confident, no one will ever beat: While half of the subscription price consists of the backbreaking labor of journalists, lumbermen, paper makers, printers, the other half is formed by... the price of delivery of a half hundred grams of paper from the post office to the doorstep. Moreover, he who performs this delivery—the mailman—gets a pitance...

The press, however, took up the challenge. It set its own super record, by demonstrating not only the vitality of a cockroach but also the same kind of capability for multiplying. No matter how much insecticide the valiant speaker and various deputies sprayed on it, no matter how much pressure was brought to bear on it with fines

for "moral damage," and no matter how much of an effort was made to exterminate it, something happened that simply could not be: More newspapers and journals will come out in Russia in 1993 than in 1992! True, there is still no exact figure. From 13 April 1992 (the date of the beginning of registration on the basis of the new Russian law on the mass media) to 17 December, 907 new periodical publications were registered. We will add to this information that has still not been gathered from the provinces, which probably will give approximately the same figure. Not bad? True, it is necessary to consider that registration is still not the birth of a publication, but only the right to appear in print. Many do not have the strength to be hatched, and some will be stillborn. But here is another figure: Of 3,700 all-Russian periodical publications, for which subscriptions were conducted in autumn of 1992, 300 appeared in the subscription catalog for the first time. We will also add the uncounted newborns that will only go on retail sale. After this, what is the worth of the forecast of the crash of the Russian press?

Of course, the high birth rate is still not a sign of civilization. Perhaps even the opposite. The boom in the gutter and reactionary press cannot be at all heartening. With respect to others, completely wild and hysterical publications, I would like to utter the sacramental phrase: Where was the procurator looking? But what can be said about such mischief-makers as NE MOZHET BYT, KLYUKVA, SKANDALY (among these there is even an OCHEN STRASHNAYA GAZETA)? Whatever delights a child...

But a lot of worthwhile publications were born also, SROCHNO V NOMER (newspaper of K. Borovoy's party), TRETYE SOSLOVIYE, DELO... We will not continue adding to the list of newborns, so that those not mentioned do not reproach us for subjective preferences. But I would like to talk specifically about one publication. This is the pedagogical newspaper PERVOYE Sentyabrya. For children, parents, and schools it is fortunate that it appeared, and that, finally, a human and modern pedagogy has started to talk to us, whom the previous system hated so much. This newspaper seems to me to be unique: Against a general background of animosity and scolding in society and the press, PERVOYE Sentyabrya is a little island of forgotten goodness, where an attempt is being made to return us to a normal, natural state of love for dear ones. A skeptic here, of course, will say, and he will be right: You did not count how many publications were shut down. True. But it is not possible, unfortunately, to calculate this. There are no such statistics. One can only cite the opinion of competent persons. V. Zhavoronkov, chief of the department for the coordination of the activity of local and regional inspection offices for the protection of freedom of the press and mass media under the Mininformpechat [Ministry of Information and the Press] of Russia, (Good heavens, how they like red tape in Russia) thinks that more newspapers and journals were started than were stopped. New parties, social movements, and many

private persons are starting newspapers. Rayon newspapers and, once again, private newspapers are closing more often than others. Many television and radio programs are being registered (although significantly less make a go of it).

Perhaps the information market has approached the concept of a market without quotation marks more closely than the others: We are fighting, competing, praying for demand and advertising, we go into debt, we ruin ourselves... we rise and fall, like on swings. This is what newspaper life is like.

Yu. Michurin, deputy chief of the administration of mass media systems of the Mininformpechat, also believes that the mass media birth rate in the world is higher than the death rate. In addition, a change is occurring in the proportions in favor of a nonstate press. Of the former party committee newspapers, some became independent. True, there are not many of these, and in a majority of cases party patronage was replaced by soviet patronage, but the picture is different among the publications that are springing up: Semiofficial newspapers comprise not more than one-fifth, but the unofficial press is growing fast, surpassing the soviet organs, at least in the number of publications.

In Yu. Michurin's opinion it is possible also to talk about the noticeable shift of the center of gravity of information interests in the localities. While the average figure of the new subscription circulation of general Russian newspapers is about 51.3 percent by comparison with 1992, the circulation of the local press has fallen significantly less: It retains 60-70 percent of subscribers.

I sense how the skeptic has become animated: Aha, see how the general circulations have fallen! True. It is especially bad for journals—on average they picked up less than a third of the subscribers of the previous year. At the same time, two types of publications lost more than the others: Those with the largest circulations (RABOTNITSA accumulated 17.4 percent of its previous subscriptions, KRESTYANKA—18.6, OGONEK—19.3 percent), and the most "elite" publications—art journals, literary monthlies, scientific journals, etc., some of which count subscribers by the head. But the skeptic can object to something here also.

First, to take a generalized figure of the drop in circulation is just like taking the average temperature in a hospital. Subscriptions for "rightist" and "leftist" publications on the whole were similarly cut in half, but this still does not tell us anything, if you do not take into account that ARGUMENTY I FAKTY, for example, dropped by a factor of four (from 37.4 to 9.2 million), but DEN increased by one and a half times, enticing 43,297 subscribers (all data are as of 9 December 92). IZVESTIYA, although losing percentage-wise more than PRAVDA and SOVETSKAYA ROSSIYA, got just as many subscribers as both of these two "people's newspapers" taken together—more than 800,000. But the most popular (without quotation marks) remain,

together with ARGUMENTY I FAKTY, TRUD (3.8 million), KOMSOMOLKA (3.3 million), and AIDS-Info (almost 3 million).

Second, and this is primary, the general drop in circulation has an important positive side. Forced to economize severely, the reader is subscribing only to that which has really become a necessity for him—with informational and spiritual content. The demand for the press under these conditions can be considered a mirror of the true frame of mind. No matter how difficult it is, for example, for literary journals and art publications, the crash that was predicted for them did not occur. The other day V. Lavkin, editor in chief of INOSTRAN-NAYA LITERATURA, confidently repudiated television news information concerning the imminent end of this publication, reporting on 23 December in LITERATURNAYA GAZETA that INOSTRANKA's circulation is about 100,000. For a literary journal this is a huge figure. If in our country there still are 100,000 intelligent people, it can be said boldly: No, Russia is not lost!

We want our readers in the new year to get the latest news as the first roosters crow. What will they crow for us? We will live—we will see...

ECONOMIC AND SOCIAL AFFAIRS

Voucher Distribution Procedures Clarified

934A0515A Moscow KURANTY in Russian 2 Dec 92
p 7

[Interview with Vladislav Butov, chief of the city head office for the introduction of the privatization voucher system, by KURANTY correspondent Zhanna Shanurova; place and date not given: "Sold the Voucher—Took a Loss"]

[Text] Judging by the mail from readers, the citizens are not all that indifferent to the voucherization of the entire country. It seems, though, that in terms of interests they are now divided into two camps: some, fiddling with the privatization voucher, worry how to dispose of it; others are in a state of anxiety as to whether they will get them in time. And still others, as Vladislav Butov, chief of the city head office for the introduction of the privatization voucher system, explained in a conversation with our correspondent, are not entitled to a voucher at all according to Russian legislation.

[Shanurova] Vladislav Sergeyevich, this is the season for demobilization from the Army. How do our young men get their vouchers?

[Butov] They need to get a residence permit at the place of their former residence; then they will be included in the voucher lists. There is no problem here.

[Shanurova] And what if a person, for instance, is returning from a correctional facility?

[Butov] Exactly the same way—first get a residence permit.

[Shanurova] But with our bureaucratic foot-dragging, getting a residence permit may stretch into after January, when the deadline for issuing the vouchers expires.

[Butov] In such situation, a citizen has a right to appeal to the territorial commission of his municipal district, which must issue a special decision with respect to this person.

[Shanurova] Our mail has many letters of this nature: for some reason an individual cannot claim the privatization voucher in person. Not everybody knows, however, how to assign the power of attorney. Does it have to be notarized?

[Butov] Not at all. In accordance with the instruction "On the Procedures for Issuing Privatization Vouchers in the Russian Federation," the power of attorney document may be validated at the issuer's place of employment or residence. For instance, a relative may claim a voucher for an elderly woman. Provided, however, that he brings to her a supervisor-technician from the housing management and maintenance office, and the power of attorney document is written in the presence of that woman, not in her absence.

There is, by the way, another way of doing it. The Central Post Office recently has established a service whereby vouchers can be delivered to one's home. A person who cannot claim a voucher for some serious reason writes a letter to the territorial commission, which then notifies the Central Post Office department that deals with vouchers.

[Shanurova] How much does this service cost?

[Butov] There is no charge for delivery of the privatization voucher.

[Shanurova] Are all citizens of Russia entitled to a privatization voucher?

[Butov] No, not all. This is what Article 2 of the "Statute on Privatization Vouchers," which constitutes an addendum to the president's edict, says in this respect: "Those entitled to receive vouchers are Russian Federation citizens who live permanently on its territory as of the date the presidential edict goes into effect, regardless of their age, income level, and length of permanent residence in the Russian Federation, as well as military servicemen stationed outside its borders." In addition, there is also the Special Resolution of the City Commission No. 13 of 22 October, which says that all those who were not registered as permanent residents of Moscow as of 2 September, or who canceled their residence permits after 0000 hours of that date, will not be included in the lists of voucher recipients. Of course, this makes many people upset and indignant—it is discrimination, they say. I believe, however, that the law has to leave out emotions and be interpreted consistently.

[Shanurova] Here is another letter from pensioners who "have the misfortune" to live in a building that is the property of the Ministry of Defense. The chief of the housing management and maintenance office that oversees this building refused to make a list of residents on the grounds that the ministry does not pay her to do this. And, as is known, vouchers are not issued without lists.

[Butov] It is true, the situation with respect to departmental buildings in the city is indeed complicated. They were mainly the reason, by the way, for the delay in transferring the lists to savings banks. The main role in resolving this issue also should belong to the territorial commission. Therefore, an initiative group of residents in the building you mentioned should appeal to such a commission of their municipal district; then the commission will contact the officials of the organization that owns the building and will ensure the preparation of lists through the housing and municipal services department of that organization.

[Shanurova] Finally, the last question is this. Many Muscovites who have already received vouchers are as a loss as to what to do with them. They do not have any experience, so some people jumped into selling their vouchers right and left—future dividends notwithstanding—and often for next to nothing. In your opinion, should they rush into getting rid of the vouchers?

[Butov] You know, there are so many consultants now that people's heads are probably spinning from all this advice they get. Personally, I would suggest waiting before disposing of the vouchers, because it probably is not possible right now to determine their future value. The market value of the privatization vouchers will be determined by the situation—economic and legislative. In particular, the president by his edicts is establishing a

basis for the vouchers' rising in value, the opportunity to use the vouchers in solving land and housing problems. Besides, no precise figures have been released yet as to how many enterprises will be put up for privatization through vouchers.

As to specific investment, do not forget that in accordance with the president's edict, the privatization voucher is valid from 1 December of this year to 31 December of next year. Realization of vouchers through auctions will start in January. Of course, there are many residents of Moscow who are not knowledgeable in economics. However, investment funds will start functioning soon; there will be more than 10,000 of them operating in Moscow, and their specialists will advise and help the owners of the vouchers to dispose of their privatization vouchers intelligently, profitably, and safely. I am certain that many will then understand that those who have sold their vouchers did so at a loss to themselves, for this voucher, as they say, costs dear.

Value of Privatization Vouchers Drops During Congress Session

934A0515B Moscow IZVESTIYA in Russian 17 Dec 92
Morning Edition p 2

[Report by IZVESTIYA correspondent Dmitriy Khrapovitskiy: "Vouchers' Slide Not Yet Precipitous"]

[Text] On the exchanges, the privatization voucher rate in real sales for cash continues to decline, reflecting the political situation.

At the end of last week, we reported on the pace of the decline in the privatization voucher rate during the congress. The rates table, which reflects the results of yesterday's exchange trading, looks this way:

	Moscow Chamber of Commerce	Russian Commodity and Raw Materials Exchange	Moscow Commodity Exchange
12/11/92	7,200	7,008	6,800
12/14/92	6,600	6,700	6,700
12/15/92	6,500	6,192	6,600

Pavel Gurin, an MTP [Moscow Chamber of Commerce] expert, believes that for at least the next two or three months the voucher will continue to serve as a sufficiently reliable security—a "shelter" that to a substantial extent will draw the ruble from another shelter—convertible hard currency. He explains the perceptible drop in the value of vouchers at the MTP over the past few days as a current rush to get rid of them among those for whom the voucher served only as a speculative commodity. RTSB [Russian Commodity and Raw Materials Exchange] analysts K. Vasilchishkin and I. Yevdokimova emphasize that despite the strong influence that politics exerts on the economy, there is no sign of what would amount to a panicky mood in business circles. At the RTSB the prevalence of speculative motives has also subsided, and the tone at the operations

center is now set by representatives of enterprises undergoing privatization, who have become even more active and have continued buying up the vouchers for their own privatization. There were long lines of sellers at the tables where vouchers were being purchased yesterday at 6,150-6,200 rubles [R].

Another confirmation of this trend is the fact that yesterday at the MTB [Moscow Commodity Exchange] the voucher rate in noncash sales jumped over three days from R9,200 to yesterday's R13,500. According to MTB expert A. Yakovlev, future contracts stipulating delivery of vouchers in January yesterday produced a rate of R12,991. V. Medvedev, director of the trading department of the Transnational Exchange, suggested jokingly during yesterday's conversation that even if there were a

sudden decision to withdraw the vouchers, their commodity rate would have remained for some time as some newly formed reality. By the way, this idea may be illustrated by the following fact. Yesterday's minor decline in the exchange rate of the dollar, achieved by granting banks selective access to participation in the trading, did not shake the dollar rate on the black market. It was being bought yesterday in the vicinity of the RTSB at R465 and sold at R490.

Chubays 7 December Press Conference Reported

934A0515C Moscow NEZAVISIMAYA GAZETA
in Russian 9 Dec 92 p 2

[Report by Andrey Lekant: "A Radical Cure For Corruption—Privatization. Anatoliy Chubays Answers Journalists' Questions"]

[Text] Monday evening it was Anatoliy Chubays' turn to serve as a government press duty officer. Which, actually, is not all that burdensome: there are quite a few deputy prime ministers; his turn to entertain journalists at Staraya Ploshchad came only on the sixth day, and there is a chance that the congress will be over before he has to do it again. I think it must be much harder to realize that at this point it falls upon your agency to take the duty shift for the reform as a whole.

Property issues are among the most painful ones in Russia, which is very sensitive to "fairness." It is not accidental that both overt and secret opponents of the reforms and the cabinet went into high gear exactly when the large-scale privatization—including voucher-based—began to acquire real shape. In Mr. Chubays' opinion, currently the reforms are not yet irreversible: We are at the point of reference, the starting line. It is quite possible, however, that in about three months any government will be obliged to move only along this track.

In a few weeks, the shares of the first 6,000 large enterprises will be on the market. Small business privatization—about 30,000 small enterprises—has already brought revenues of 60 billion rubles to the treasury. In this situation, said Anatoliy Chubays, switching to the subject of the congress, Gaydar's departure would mean the crash of large enterprise, and a serious blow to small enterprise, privatization. In his opinion, it has so happened that there is no figure to provide an alternative to the current acting prime minister. It is he or economic chaos. Gaydar's resignation would result in the resignation of key figures in the cabinet. "We are not interested in titles or salaries. We are willing to work on any terms, but we can only compromise to a certain limit, beyond which we can no longer take responsibility for the reform," he said.

In answer to a journalist's question, the deputy prime minister said that overall the congress senses the political situation and, one would hope, will not make any disastrous decisions. He appraised as positive the fact that none of the opponents speak openly against the reforms.

Currently it would be political suicide for them. As to the resolution "On the Progress of Economic Reforms," it is not too different from the previous one that was in the same vein. The editing commission spent a long time deciding on an epithet—whether we have an "occupying" or "anti-popular" government. And it did not find any space to put in even one sentence to reflect the positive side of the cabinet's work. We can live with that, though.

As to society's stratification along the "rich and poor" principle, in Mr. Chubays' opinion the reforms have not created it—they only brought it out into the open, much the same as with respect to inflation. To the question whether there is a radical cure for pilfering and corruption, the deputy prime minister replied that there is—privatization. A real owner will not allow theft and machinations around his property.

In addition, in answering a NEZAVISIMAYA GAZETA question, Anatoliy Chubays said that it is too early to be pleased with ourselves and to associate the decline rate of the dollar with the growing interest on the part of big business in privatization vouchers. This is a long-term process, and it will not be possible to tell the results until next year.

Industrialists Outline Requirements for Prosperous Economy

934A0515D Moscow MOSKOVSKAYA PRAVDA
in Russian 2 Dec 92 pp 3, 5

[Article by V.I. Neverov, chairman of the board of Hermes, a diversified concern, and Hermes-Soyuz, a transnational oil company; V. Ya. Teplitskiy, Hermes president; and G.A. Danilov, Hermes-Soyuz vice president and the president of the Hermes-Centre bank: "Russia's Prosperity Is of Vital Importance for Our Company"]

[Text]

A Market and a Labor Camp

When, in the twenties of the faraway seventeenth century, a legitimately elected tsar ordered strelets Ivashka Neverov "with his comrades" to go beyond the Urals Stone and to open up the lands there, he knew what he was doing. This was necessary and vitally important for Russia. No one entertained the thought then that some other interests might be more important than those of the state. So it is in our time: when Hermes board of directors makes a major effort to earn and collect money in Moscow for the purpose of investing it in Tyumen Oblast's development, they understand that it is needed and beneficial for the whole of Russia. Citizens firmly rooted in the country think first and foremost of its prosperity, of the next generations that will continue what had been started by their forebears, carrying through the centuries basic life values. We are what we are; we are what are forebears have been, and we act on

the basis of firm principles that are part of our flesh and blood. We cannot live any other way.

The traditional Russian mentality is not the only thing, however, that defines the basic operational principles of the Hermes diversified concern. This issue also has an economic side. We know very well that only a strong, economically prosperous Russia can guarantee our firm's competitiveness on the world market. The stronger the country, the better its citizens live, and the more successfully the firm will compete with other transnational companies. And the opposite is also true; Hermes' success will translate into improved living conditions for the citizens of Russia—through the taxes that we pay to the treasury, and through the creation of new jobs in a principally new labor environment. In the final analysis, it is precisely thanks to the entrepreneurial structures that a new life is beginning for a society re-emerging from the horrible lethargic sleep of the communist period.

Let us ask ourselves the question that has come up millions of times over thousands of years: What should the economy of a developed and strong state be like?

There are only two ideal types of economies possible; schematically, they may look as follows. The first one, historically speaking, is the "labor camp" type: There is a record-keeper and a guard attached to each producer, and to each record-keeper and guard—one more layer of the same, who keep an eye on the former. And so on. In the ancient times people were executed for the slightest transgression; much later, labor camps came into existence, where all who made mistakes, were guilty of something, or ideologically disagreed with the regime were placed. This kind of system absolutely requires a powerful machine for brainwashing the people, and the more effective this machinery is, the fewer camps are needed. Many dictatorship regimes showed their effectiveness over a short period of time. At a later stage they always lead to stagnation. Even though such a structure—if it is revived in our country—may bring the order so many people crave, there is no place for Hermes and many other people in it. Totalitarian structures emerge gradually. People do not immediately understand that they have been deprived of freedom. So if right now the leadership of the Ministry of Fuels and Energy is attempting to introduce a system of strict regulation of the oil industry, it is embarking on a dangerous road, although, of course, not too many people fully understand that the logic of events and actions in the end inevitably will make noneconomic coercion necessary.

In the economy of the second type—a market economy—a completely different system of self-regulation is at work. When an ordinary American buys a share of some company's stock, and then some time later gives his broker or banker an order to sell it and buy some other, he is guided exclusively by personal interest. At the same time, however, systematic buying and selling of shares, contracts, and other securities ensure the flow of

capital into the fastest growing sectors of the economy and provide the resources for companies moving forward. About 70 percent of the adult population of the United States, guided exclusively by personal interest, continuously buy and sell various securities, and by doing that manage the economy. This does not require a powerful Gosplan [State Planning Committee], a Gosnab [State Committee for Material and Technical Supply], a Council of Ministers, labor camps, and the systematic brainwashing of the people. The Hermes Company is working hard trying to develop such a system of management. Although only a small percentage of the company's total income comes from selling stock, contracts, and bills of exchange, it spends very considerable efforts on the creation of market relations in all their variety.

A market system of the end of this century not only does not preclude state regulation—it assumes it. The specificity of this regulation is that it is accomplished through sensible economic methods, to which "administrative ecstasy," voluntarism, and arbitrariness are alien. There must be a law that everyone observes, including the government. Figuratively speaking, the parliament establishes the rules of the "economic game" on the territory of the country; according to these rules, domestic producers are afforded preference, and the government—if it "plays somebody's hand" at all—sides with them. Parliaments and governments of all developed countries in the world operate this way!

What We Expect of the Government

We do not expect anything from the current government except its imminent fall. But the problem of interaction between a diversified concern such as Hermes and the government will exist regardless of this fact. Any state may be compared with a large joint-stock company, where national currency represents the stock. In our opinion, the Russian government must in reality—not just by words—"play" toward raising the rating of its stock, that is, the ruble. We state with full responsibility that the government has everything it needs to conduct effective measures for bringing the rate of the ruble up. We have absolutely everything it takes: land, oil, and hardworking and talented people.

A temporary ban on circulation in Russia of any money except the national currency—the ruble—deserves consideration. Then all the national wealth that is being privatized will be pitched only against rubles, and it will turn out that the ruble is still worth something! Our capital assets are at least one-third as great as those of America; this is many billions of dollars. Our mineral wealth is many times greater than that of America. The economic value of our principal wealth—the land—is almost unlimited. Having become the only means of payment for purchasing a part of this all, the ruble acquires tremendous weight. If someone will want to buy something here (after a partial privatization), let them first buy it at a real ruble exchange rate.

Today we have encountered the fact that we pay substantially different taxes on the same operations not only in different cities, but even to the tax services of neighboring rayons in the same city. This chaos must be stopped. If some local taxes are being introduced, the procedures for introducing them must be strictly regulated by the state, and they must be officially made public. What we in reality have to deal with is requisitions on the part of all levels of authority that border on extortion. We expect taxation that is clear, standardized, and stable over time, even though it may differ in different locales; a tax system instead of a tax chaos that consists of weekly additions, clarifications, and corrections—including retroactively, which is totally inadmissible. Any, even the worst, law—as long as it is firm, single, and mandatory for everyone—is better than the lawlessness that reigns right now. "Better a stern tsar than eight boyars." Without monitoring the compliance with the law, there cannot be a system of management—whether it is administrative or market-based.

The taxes are excessive—this is commonly known. However, high taxes are typical for countries that have reached a certain, very high, level of economic development. While for fast-developing societies—always!—much lower tax rates are typical. In our country, however, taxes are not only excessively high but, most importantly, there is no system to them, which leads to a situation that to produce some real output becomes extremely unprofitable. For instance, the more oil an oil producer recovers, the more his debt grows, instead of his profits. The same situation exists in other sectors. Another example: It is because of taxes that boiler oil in our country costs more than crude oil, although in all countries of the world the price of boiler oil does not exceed 70 percent of the price of crude. The ratio of prices for many other types of products is equally absurd. And all of this is a result of the unnatural, suicidal taxation system.

Our country possesses an immense state sector like no other state in the world. Nevertheless, the current government is trying to fix the budget by nonsensical taxation that strangles all economic life in the country, and first and foremost production. Selling or leasing (the latter is preferable) even a very small part of state property could not only balance the budget, but also provide the resources for the social protection of the population during the period of reforms. When the country becomes economically strong, it will be possible to buy back into state ownership at future market prices a part of what is being sold at today's—it has to be market—prices. Who benefits from the current tax situation, and where are the social strata that support the current government? Only speculators, resellers trading for cash and therefore not paying any taxes. This is the social base of the government. It is not very broad, and, let us be frank, it is openly parasitic.

We would like the government to support first and foremost the producers of consumer goods and of products strategically important for the country. It appears

that it is psychologically easier for members of the current government to "identify" with the small speculator and to sense what the latter needs today than to comprehend the thoughts and concerns of a major industrialist or entrepreneur, whose concern is not only the present of his enterprise, but also the future.

The greatest impetus for the development of our economy would come from land reform. However, as is known from history, land reform implemented at the time of an economic crisis does not improve the situation in the country quickly and substantially. Moreover, currently the result may be that citizens will lose part of the ownership, and it will be bought up by foreign capital. Mass privatization of land must be implemented at a different rate of exchange of the ruble. In our opinion, before implementing a land reform, or in parallel with it, Russia—an oil superpower—absolutely must reform the oil industry. Land reform must be accompanied by a reform of the basic industry that is a pillar of the economy. No matter how much land we sell or give away, unless a sufficient quantity of oil and fuels and lubricants is being produced, it will not be possible to get agricultural production into gear, and normal prices for land will not materialize.

That the oil industry is the main sector of our economy is not merely a quite understandable contention on the part of the people associated with it. It is a clear scientific fact, the result of research that determines unequivocally the priority standing of individual sectors. The entire world economy depends on the oil industry. We live in a "hydrocarbon civilization." In Russia this dependence is especially high, even excessive, which we tirelessly keep repeating. The development of market relations in other sectors depends on the development of the oil market. The oil industry can and must become the locomotive that will pull the entire economy, the way it had been and is in all developing countries that possess at least some oil reserves, including Russia in the beginning of the century. In our opinion, it would be expedient to completely exempt oil industry enterprises from all existing taxes for two to three years. But only the producers, regardless of the form of ownership—not the resellers. The producers currently are debtors with respect to the state and, of course, cannot pay taxes anyway. At the same time, a rule should be established that exists in all oil-producing nations in the world, whereby a share of all oil goes to the state. In addition, the state, in order to meet public needs, also receives its share of produced petroleum products. Oil exports outside of Russia can occur only at prices not lower than the world level. In the interests of boosting the competitiveness of domestic producers, prices on exported petroleum products should be regulated less strictly, and they may be even lower than the world level. This will provide an incentive to reject the policy of exporting predominantly raw materials, which has brought and is bringing us irreplaceable losses, many thousands of dollars per capita. Oil industry enterprises are exempted from existing taxes, but instead they pay rent on land, and very high fines for

using natural resources wastefully and environmental violations. It is especially important to impose superhigh fines for predatory utilization of natural wealth in connection with penetration of the industry by adventurist Western firms that will inevitably strive for maximum profits in a minimal period of time.

What will sharply reduced taxes bring with respect to the domestic oil market and a sensible policy regarding export sales of petroleum products? The inevitable consequence will be lower prices not only for oil but also for petroleum products. An immense incentive will develop to acquire oil-refining equipment. This will provide the impetus not only for machine-building enterprises, but also for the petrochemical, chemical, metallurgical, and other industries. Any change in prices of petroleum products is reflected in all goods; in a market economy, this happens not only when prices go up, but also when they go down.

A Market Infrastructure

There are certain attributes of a market economy that are mandatory for any civilized state. What precisely? What we need is not millions of people trying to make a buck on selling all and everything; we need a modern network of exchanges, commercial banks, insurance companies, clearing centers, pension and other funds. We started with exchanges that copied more the NEP [New Economic Policy] period exchanges than modern Western financial commercial institutions. From the places where resellers congregated, however, our exchanges began turning—with a speed exceptional by historic measures—into a price-setting mechanism. The process of transformation has just begun. Already now at some of our exchanges, the prevalent trading is that in contracts for future deliveries of finished products. Trading in goods is only the very beginning of a modern market. Hermes was the first to start publicly trading in oil. An oil market was born. Hermes was one of the first to go public, and it sells thousands of shares. This helps in the creation of a stock market that is so much needed in the country. It is in the interest of the entire society to put an end to all-out middlemanship. But only through economic methods! So now Hermes Commodity Exchange weekly publishes in several newspapers long lists of goods offered for sale, with the seller's telephone number listed. The goods get to the consumer, bypassing the chain of middlemen.

Another important element of the market are the banks. It is interesting to note that the process of setting up the company's banks, as well as that of most of our other structures, has passed through a critical phase and from there on the development seems to have a momentum of its own. From the very beginning, we strove to create not an "economic mechanism," but a living, growing organism. New banks in our system emerge without considerable expenditures of efforts and resources. The size of their charter capital is increasing perceptibly. By selling the capital, the banks ensure that it flows where it can be put to maximum utilization. The leadership of

large banks understands that even in the medium term it is more profitable to invest money in technologies rather than speculation. The development of the interbank system would have been even more successful had the government not engaged in creating all sorts of obstacles for the bankers, as well as all other serious entrepreneurs.

The formation of all institutions of a modern labor market also is absolutely necessary and, of course, Hermes alone cannot do it on a nationwide scale. However, in order to substantially strengthen social guarantees—at least at this point for its employees—the concern has set up an insurance company and a company-wide Hermes Trade Union that are still in the process of getting off the ground. Judging by the first steps, they are beginning to develop as quickly and naturally as our banks.

Hermes was created by scientists and innovators for the purpose of implementing in production their own scientific and technical designs. Very soon it became clear that our high technology designs are not being implemented not because there are stupid retrograde bureaucrats sitting in the locales—as many inventors think—but because innovations are being rejected as a foreign body. They do not correspond to the level of development of our society, do not "fit in" with the existing production relations.

In the entire world, superprofits are gained from high technology rather than trade. The vehicles best suited for the purpose of accelerating the innovation cycle are science and technology parks, which have been going through a veritable boom in the West over the past decade. Hermes has set up its own technology parks, keeping an eye on the future. Our largest and best-known technology park was created jointly with the Astrofizika scientific industrial association, and it is called Astro-Hermes. We hear almost daily proposals on producing output that is needed by the oil industry but that is not in demand on the world market. What is this? Something that is not good enough for the West is all right for our own? No, our goal is to provide the Russian oil industry—and not only that industry—with technologies and equipment far above the world level.

A market infrastructure that is absolutely necessary for the development of the country can and must be created only by large entrepreneurial organizations. There is no substitute for them in this undertaking. We think that entrepreneurs engaged in macroeconomics already realize not only their potential but also the full extent of the responsibility of their actions. The highest wisdom on the part of the government in this respect may manifest itself only in following unswervingly the principle "Do No Harm!" A simple truth, but it seems to have a difficult time getting through to the authorities on all levels. The subsequent merging of industrial and financial capital is inevitable. It seems to us that directors of large industrial enterprises are already making their choice between entrepreneurial companies, some of

which are oriented toward momentary profits, while others set their sights on long-term efforts.

Opinion Poll on Public Attitudes Toward Events, Personalities of 1992

934A0565A Moscow IZVESTIYA in Russian 29 Dec 92
Morning Edition p 3

[Article by B. Rayzberg, under the rubric "Standard of Living"; place and date not given: "Don't Things Seem Worse to Us Than They Really Are?"]

[Text] One of the tokens of the departing year is the mass complaining about how hard life is. We are so used to such phrases as "the crushing impoverishment of the people," the "multifold drop in the standard of living," and "the fall below the poverty line," that we take them for the highest truth. But what if we attempt to sort the matter out minus the excess emotions?

I have no plans to try to prove that life got better or happier in the last year. Although, for the sake of objectivity one could note a few changes for the better: for instance, there were fewer lines and coupons and more goods on the shelves. On the whole, of course, the standard of living declined. But by how much exactly? Enough that it's now time to forget about the other joys of life and shout for help?

The answer to this question is important not only for establishing the objective truth and clarifying whether we still have time for a calm, thoughtful search for ways out of our truly difficult situation but also for the purposes of averting a public panic and the spread of depression, unbelief, doom, indifference, and apathy.

The chief disturbance to our serenity is the rise in prices, the speed of which by the end of the departing year, unfortunately, had begun to mount. People are psychologically inclined to identify rising prices with a declining standard of living, although it's well known that this is determined by the relationship between prices and income, as well as by how saturated the market is with consumer goods.

The most objective indicator of standard of living is the volume of real per capita consumption of goods and services. The number of inhabitants of Russia is quite stable. The import of food goods stays at a more or less constant level. Thus our consumption, and with it our standard of living and material prosperity, are predetermined mostly by the volume of consumer goods production. Naturally, price increases and changes in income lead to a differentiation in consumption between various strata of the population, but on the whole we consume virtually everything we produce. This is especially true with respect to food.

Taking this as a point of departure, one can estimate how much life worsened for Russians in 1992. If the volume

of consumer goods production declined by approximately 20 percent over the year, then evidently that is how much worse we have come to live.

This is on average, of course. One person, thanks to high earnings, may have managed to maintain or possibly even increase his consumption, while another's may have declined by a whole 30 percent and not 20. Nonetheless, fortunately we are not talking about a fall in consumption by a factor of several times. It is also characteristic that the drop in consumption for various groups of goods is substantially different. For example, in 1992, consumption of bread and baked goods, potatoes, and vegetables scarcely declined at all. But we have begun eating somewhat less sugar and fruit. If you like, the greatest drop affected milk and meat. Here the decrease in production and consumption for the year was about 30 percent, but again, not a factor of several times.

Among people's complaints about their hard life what you hear most often is the lament to the effect that "all our money is going for food and nothing's left for anything else." In years past in Russia, about 40-45 percent of the family budget was spent on food. How are things now?

The pedagogue V. I. Livshits and I carried out some sociological research among pupils at School No 284 in Moscow. At our request, about 100 pupils in this school kept track of their families current expenses in October and November, significantly detailing their structure. I can see no reason not to trust the information we received, inasmuch as the pupils had no motives of any kind to distort the true state of affairs.

So that, if we are to believe not the emotionally colored judgments of you and me as buyers but the data from our research on the budgets of ordinary families, then it turns out that in late 1992 Muscovites were spending about 55 percent of their budget on food (excluding expenditures for wine, vodka, and cigarettes). In addition, for a small number of the families researched with various income levels this percentage varied from 15 to 90, but the bulk are still spending no more than 60 percent of their earnings on food.

The fact that people are spending from a half to two thirds of their income on food is, of course, nothing to be happy about. Nonetheless, most families can still spend up to 20 percent of their funds on clothing and footwear and about 5 percent on alcoholic beverages and tobacco goods. The rest is taken up by rent, utilities, and transportation (about 7.5 percent).

The structure of expenses, of course, is far from modern Western standards, but let's not go overboard with the self-reproach. Life truly is hard, but we can go on living like this. Let's not spook ourselves with hunger and cold. Neither one is a real threat. Although oil drilling and coal mining have fallen sharply and it is much more profitable to sell those products abroad than on the domestic market, we are not sitting at home without heat, gas, or

electricity, if we don't count individual local "exceptions," of course. Let that warm us up at least a little on New Year's Eve.

Recall all the gloomy forecasts that were not borne out in the departing year. Despite the huge decline in production, which has been going on for more than one year, there is practically no unemployment in Russia. After all, given the decline in production over the last two years by a good 30 percent, one would expect us to have more than 20 million unemployed. Actually, that was the figure many forecasters predicted at the beginning of the year. In fact, we still have fewer than a million unemployed, or on the order of 1 percent of the total number of employed.

We are not going to get into an analysis today of the reasons for this phenomenon or characterize it as an undoubted good, but it must be admitted that, given current conditions, wide-scale unemployment would throw not only fuel but explosives on the bonfire of political passions as well. It's good that didn't happen.

Yes, Russia's turn to new forms of social relations is not coming at all easily, but don't we see everything at times in a much blacker light than it is in actual fact?

Our information: Boris Abramovich Rayzberg is an expert at the Russian government's Working Center for Economic Reforms.

Government Center for Economic Reforms Expert on Standard of Living

934A0565B Moscow ROSSIYSKIYE VESTI in Russian
30 Dec 92 p 3

[Article by N. Betaneli, director of the Institute of the Sociology of Parliamentarism; place and date not given: "The Man of 1992"]

[Text] The independent Institute of the Sociology of Parliamentarism conducted another weekly survey of a thousand Muscovites at the request of the Information Television Agency (ITA). Here is what a comparative analysis showed.

The closer New Year's comes, the likelier our approach to a unique "moment of truth." The symbolic boundary between the past and future not only brings people together but also makes them think about the past and engenders hopes for the better. What does the "majority" think? How does it assess the departing year? As the survey showed, 1992 on the whole was "unsuccessful or mostly unsuccessful" for 55 percent of Muscovites, "successful or mostly successful" for 37 percent, and "hard to determine" for 8 percent.

To judge by self-assessments, 1992 was the most successful for entrepreneurs (75 percent), workers in organs

of state power and administration (75 percent), school-children (68 percent), VUZ [higher educational institutions] students (58 percent), workers in trade (42 percent), and technical and service personnel (40 percent). It was most unsuccessful for nonworking invalids (83 percent), housewives (64 percent), pensioners (61 percent), workers (58 percent), and the scientific-technical intelligentsia (59 percent).

The skepticism of many people is understandable. As the 52 weekly surveys conducted by the institute in 1992 demonstrated, the peak of dissatisfaction with life was observed this year in January, after the first "shock" from Russia's fast entry into a market economy and soaring prices—81 percent dissatisfied. Later this indicator declined to 61 percent, but in the last few months it has begun to rise once again: from 62 percent in September to 74 percent in December. One of the constantly burdensome factors remains price liberalization, but its consequences for various strata of the population are not identical: about 31-46 percent of Muscovites surveyed weekly noted that "it is impossible to restrain" (36 percent on 24 December), but on average 42-53 percent assessed the situation with the new prices as "hard but bearable" (51 percent on 24 December), and in the opinion of 9-11 percent, "all this isn't so terrible as it seemed," or even "this suits them fine" (9 percent on 24 December).

As before, many regret the breakup of the USSR: 63 percent in April, 69 percent in August, 67 percent in December. But time reconciles people to reality: the number of those who continue to consider themselves citizens of the USSR declined from 17 percent in January to 8 percent on 24 December. The number of those who "do not feel we have any kind of state" has risen slightly (5 percent in January, 8 percent in March, 9 percent in December). Of those surveyed, 1 percent consider themselves "citizens of the world." The majority—66 percent in January, 61 percent in March, 69 percent in December—feel like citizens of Russia.

Did any events take place in 1992 in the world or the country that could be considered good or positive for Russia? According to 42 percent of Muscovites, there were no such events, and 43 percent find it hard to determine this, but in the judgment of 15 percent, the most positive events for the country were the beginning of the reforms and retention of the Ye. Gaydar team (6 percent), the Seventh Congress of People's Deputies (3 percent), the lessening of international tension and peace in Russia (2 percent), the change of government (2 percent), and the development of democracy and the departure of the Communists (1 percent).

At the same time, many—40 percent—are hard-pressed to name events in 1992 in the world or the country that could be considered bad or negative for Russia, 3 percent feel there were no such events at all, and in the opinion of 57 percent, the following had negative consequences for the country: the Seventh Congress of People's Deputies (17 percent), the rise in prices and impoverishment

of the people (13 percent), wars and international conflicts (8 percent), the breakup of the USSR (5 percent), everything that is happening, including the reform course (4 percent), conflicts (at the top) and the makeup of the country's current leadership (4 percent), and the chaos and collapse of Russia (3 percent).

Who in Russia or the world could be called the "Man of 1992"? Many—44 percent—had a hard time answering this question, and 18 percent feel that "no one is, there are none." However, according to 38 percent of Muscovites the Man of the Year is: B. Yeltsin (17 percent), Ye. Gaydar and V. A. Rutskoy (3 percent), B. Clinton (2 percent), and 1.5 percent of the "votes" were collected each by G. Bush, M. Gorbachev, R. Khasbulatov, 1 percent apiece by N. Nazarbayev, N. Travkin, S. Fedorov, and V. Chernomyrdin, and another 29 names were mentioned 1-3 times apiece. But one Muscovite said what others may have been shy to say: "I am the Man of the Year, because I survived." And evidently he's right: the Man of the Year is the ordinary voter, the entire Russian people, who have not turned the reforms off the track, despite the burdens and difficulties.

Abdulbasirov Discusses Food Processing Problems, Prospects

93A0554A Moscow ZEMLYA I LYUDI in Russian
No 48, 27 Nov 92 pp 1-2

[Article by M. Abdulbasirov, 1st Deputy Minister for Agriculture and Food Goods of Russia and chairman of the Committee for the Food and Processing Industry: "Both Powerful and Powerless"]

[Text] "Both powerful and powerless." These words by the great Russian poet N. Nekrasov, stated at one time regarding Russia, can be employed fully in a brief description of our domestic food and processing industry. Judge for yourself. Today the food industry of Russia is a complicated multiple-branch complex consisting of more than 500 meat and poultry combines and 500 plants engaged in the production of fruit and vegetable canned goods, potato products and dried vegetables and fruit. More than 2,100 enterprises of the food industry produce sugar, vegetable oil, margarine, starchy products, confectionery items, yeasts, tea, coffee, tobacco products, alcohol and non-alcoholic beverages, medicines, salt and other products. Forty specialized enterprises for the production of children's food occupy a special place in the industry.

Moreover, it should be borne in mind that, in addition to being food goods, our output is also viewed as most valuable raw materials for the chemical, machine building, perfume-cosmetic and many other branches of the national economy.

At the same time, the status of the food and processing industry in our country has always left a great deal to be desired. In supplying almost 70 percent of the food turnover, the branch, in terms of its technical equipment and scientific potential, still lags considerably behind the

level achieved by like industry in developed countries, where 80 percent of the food products that have undergone processing reach the consumers' tables in wrapped and packaged form and in a high degree of readiness. In addition, the resources earmarked by us for fundamental and applied studies in the food and processing industry are several times lower than that being employed abroad.

The logistical base of our food and processing industry is in a deplorable state. The weak technical equipping of the production capabilities for the storage and processing of agricultural products is resulting in considerable losses in such output. Fixed capital depreciation amounts to more than 40 percent and the level of mechanization for many items does not exceed 50 percent. It bears mentioning that only 15-20 percent of the technologies in use meet the modern requirements. Many enterprises occupy adapted and at times decrepit facilities.

The aging of the active portion of the productive capital surpasses the rates for its replacement. As is known, domestic machine building in behalf of the food and processing industry has for all practical purposes encountered some serious problems. Many problems associated with conversion have not as yet been resolved. The purchasing of equipment and spare parts abroad has declined. The situation is further aggravated by the fact that, following the collapse of the Soviet Union, those enterprises which produce 90 percent of the equipment for the poultry processing industry, 77 percent for the sugar, 70 percent for the fruit and vegetable and 50 percent for the meat and other branches of the food industry, remain beyond the borders of Russia.

Production Declining and the Cost of Products Increasing

To all of the difficulties enumerated above, new ones can be added today which are having a very negative effect on the industry's operations. Owing to a sharp decrease in the production of many types of agricultural raw materials and in the deliveries of these materials for processing, the production of food products has declined. During nine months of this year, meat production declined by 27 percent compared to the same period for last year, sausage products—by 20, rich cheeses—by 25 and whole milk products and semi-finished meat products—by 50 or more percent. This is associated with the fact that in a majority of regions and throughout the Russian Federation on the whole, the numbers of livestock and poultry declined sharply and there was a reduction in their productivity.

A decline was noted in the purchases of a number of field crop husbandry products and this is also creating great difficulties in connection with the uninterrupted operations of food enterprises. It was for this reason that the production of vegetable oil reached only 81 percent of the level for nine months of last year, margarine—88,

confectionery products—71, tea—74, food concentrates—64, and non-alcoholic beverages—31 percent. The situation is the same for other types of food goods.

The level of use of capabilities in the canning industry does not exceed 60 percent. The cost for raw materials used in the production of canned fruit and vegetable products has reached 80 percent of the cost for the finished products. The situation is aggravated by the fact that vegetable production is declining in the rural areas. The sowing areas assigned for such crops have been reduced by 37,000 hectares, or by more than 10 percent.

Difficulties in connection with purchases of oil-bearing seed have brought about a noticeable reduction in the production of vegetable oil. One reason for this—the demand by farms for a sharp increase in the prices for this raw material. For example, in Krasnodar Kray the first batches of oil-bearing seed were purchased for 17,000 rubles per tonne and sometime later—at the rate of 28,000 rubles per tonne. Given the worsening shortage in vegetable oil, it is our opinion that a need exists for creating a state reserve for oil-bearing seed resources, employing customer-supplied raw materials to the maximum possible degree and for forbidding the exporting of these materials beyond the borders of the Russian Federation.

An unusual situation has developed wherein, even with a significant reduction in raw material deliveries, our enterprises will still be unable to pay for them. This is explained by the fact that the prices for all goods are constantly increasing. Accordingly, the prices for food prices have increased sharply and at a time when the population's ability to pay has declined. As a result, the trade organizations are unable to sell, in a timely manner, the finished products delivered to them. As a result, their indebtedness to the processing and food enterprises is increasing and the latter in turn are falling further in debt to the farms and other suppliers. Thus, as of 1 October, the total amount of non-payments by the meat and dairy branch to rural producers of goods was 20 billion rubles and the indebtedness of the trade reached 40 billion rubles. The surpluses of meat and dairy products at enterprises and cold storage combines increased by 25 percent.

Path To Stabilization

Under these complicated conditions, subunits of the food and processing industry of Minselkhosprod [Ministry of Agricultural Production] of the Russian Federation consider one of their chief tasks to be that of achieving state support for enterprises, in the interest of curtailing the increasing slump in production and ensuring their economic and financial stability. For the very first time, 100 billion rubles' worth of favorable credit have been specially designated for the food industry this year. In addition, the administrative heads and executive organs in the various areas have also

furnished financial support to a number of enterprises, using limits allocated by the APK [agro-industrial complex].

Certainly, these measures are not enough. Basic measures must be undertaken aimed at overcoming the growing crisis that prevails throughout the republic. At the same time, the funds allocated have aided considerably in paying for the agricultural raw materials that have been purchased and which are now being delivered for industrial processing.

Despite all the complexities of investment policy, 6.6 billion rubles' (in 1992 prices) worth of centralized capital investments were utilized during the period from January to September, with the rates for the acquisition of funds during the 3d quarter being considerably higher than they were in the first six months. Additional capabilities were introduced for the processing of meat and for the production of whole milk products, cheeses, dry skim milk, confectionery products, fruit and vegetable canned goods and refrigeration capacities. Meat combines were placed in operation in the cities of Ruza in Moscow Oblast, Kondrova in Kaluga Oblast and Okha in Sakhalinsk Oblast, creameries were introduced into operation in the city of Teykovo in Ivanovo Oblast, Verkhnyaya Salda in Sverdlovsk Oblast, Tarusa in Kaluga Oblast, Novoyeniseysk in Krasnoyarsk Kray, in Glazov in the Udmurt Republic and others.

At the present time, as never before, a need exists for making the greatest use of the foreign credit being offered to Russia. In Italy and Spain, such credit has been employed for purchasing 50 million dollars' worth of wrapping and packaging materials and in Germany—for purchasing 1.1 billion dollars' worth of equipment. In Italy, the plans also call for using credit for acquiring eight cigarette production lines, which were last purchased in 1983. But many difficulties remain in connection with solving these problems.

Such overall federal programs as "Sugar," "Salt," "Vini-culture and Wine Making" and others have been developed for future use in solving a number of key problems in the republic. The "Sugar" program includes measures not only for increasing beet production but also for ensuring the construction of starch-syrup combines and plants for the production of sugar substitutes. Today all of the prerequisites are present for increasing sugar production. It is expected that sugar beet purchases this year will amount to more than 24 million tonnes, compared to 19 million tonnes last year. This will make it possible to produce 2.3 million tonnes of sugar using domestic raw materials, a figure which surpasses the 1991 level for such production by 11 percent.

Implementation of the "Salt" program will make it possible to eliminate completely Russian salt imports and end the salt shortage. Large investments are needed for carrying out the program for developing viniculture and wine making. Indeed, during the period of the anti-alcohol campaign, the vineyard areas declined by

56,000 hectares compared to the 1991 level, or by more than 25 percent. Compared to the 1985 level, wine production declined by threefold. On average, there was less than one kilogram of wine in fresh form for each resident of the republic.

The carrying out of the branch's long-term and current tasks will be dependent to a large degree upon extensive state support and the adoption at the governmental level of urgent measures aimed at stabilizing food production and ensuring the availability of food for the population. First of all, a need will exist for establishing price parity for agricultural and industrial products and for introducing favorable credits, especially for those processing enterprises which can ensure a natural increase in output compared to the previous period. Nor can we expect a noticeable improvement in the status of affairs in the food industry so long as we continue to have the excessive tax on added value throughout the entire technological chain for food product production. Although this urgent problem continues to be raised in the Supreme Soviet and in the government, we still are no closer to solving it completely.

In the Interest of the Federation and the Regions

Beyond any doubt, the solutions for the problems mentioned will play an important stabilizing role in the affairs of the collectives of processing enterprises. For their part, they must make more complete use of the opportunities available for increasing the production of food products. There have been frequent incidents involving the production of mainly expensive products for the express purpose of realizing a maximum amount of profit. Allow me to cite a few examples taken from the meat and dairy branch. As a result of a decline in the production of dairy products having a lowered fat content, the consumers were undersupplied in the amount of approximately one million tonnes of whole milk products, in a calculation for milk. The use of skim milk and whey took a turn for the worse. There was a sharp decline in the production of sandwich butter. Declines were noted in the production of milk having a fat content of 1 and 1.5 percent and sour cream with a fat content of 15 percent or lower.

Hence prices are rising and the market is not being saturated with relatively inexpensive products. Today these matters are in large measure being handled by the executive organs in the various areas. I believe that the administrations in a number of regions are taking the proper action when they limit the profitability levels for the enterprises. Indeed this profitability, owing to the production of highly expensive products, at times reaches 100-150 percent. There have been numerous instances of the main portion of the profit being expended for consumption and only a negligible portion—for development.

The privatization of processing enterprises, which has already commenced, will aid in bringing about a change

in this approach towards the use of material and financial resources. During the course of this work, the true owners of the enterprises will appear, individuals who in the interest of not becoming bankrupt will strive to improve the use of available resources, find additional raw material sources, improve the processing of these resources and create a network of their own trade stores. Indeed, it is possible to improve food supply noticeably today through the introduction of waste-free technologies for the processing of agricultural raw materials and through an expansion in the assortment of goods.

In addition to strengthening the logistical base for large processing enterprises, the creation, based upon the development of small and medium-size business, of a network of small operations for the production of food goods promises to make available great opportunities for better ensuring the needed competition in food products. Their construction does not require large sums and will provide a perceptible return within a brief period of time. The questions concerned with the feasibility of creating such small enterprises and their optimum number must be resolved in the various areas.

The regions have at their disposal all that is needed for implementing the plans for developing small and medium-size business operations. It was by no means an accident that the administrative heads of 28 regions signed the agreement entitled "Program for the Development of Small and Medium-Size Business on the Territory of Russia and an Organizational Plan for Its Implementation."

Moreover, great importance is attached to not subordinating federal interests to regional ones, but rather to combining and supplementing them in a skilful manner. Unfortunately, today we are often noticing quite the opposite. The regions frequently break their contractual obligations for shipping food goods in behalf of all-state needs, even where limited assortments are involved. Many of them think nothing of disrupting the minimal mandatory deliveries to state resources of meat, milk, sugar, vegetable oil and fruit and vegetable products.

Here, beyond any doubt, we are seeing the effects of shortcomings in our legislation and this in the final analysis will adversely affect the food supply for large industrial centers and for regions of the North and the Far East. Yes and for other regions and areas as well. Indeed, everything is interrelated in our huge country. No one region is capable of satisfying its requirements for all of the needed types of food goods. And irresponsibility on the part of a particular region in connection with deliveries of a specific product will in the final analysis have an effect on the absence of those products that are needed but are not produced in the particular area.

By no means can we tolerate a situation in which products produced using state raw materials and favorable state credits are sold through commercial structures. As a rule, this leads to considerable growth in the prices

for food goods. Beyond any doubt, products produced using state investments (subsidies for purchase prices, issuing of favorable credits and others) must be sold through middleman trade structures, in which the price markups for goods must be held to a minimum

An Independent Administrative Organ Is Needed

In short, we have many opportunities at the present time, assuming proper state price, credit and tax support, to correct noticeably the status of affairs with regard to supplying the population with food goods. I believe that today this is dependent to a large degree upon the initiative being displayed by the executive organs in the various areas. Special attention must be given to the development and implementation of regional programs, based upon the specific conditions found in each territory and upon the level of development of its productive forces.

With regard to long-range questions, it is completely obvious that in the future, just as in the present, specialized industrial enterprises with various forms of ownership will be the chief source for ensuring a food supply for the population. But their logistical base must be strengthened substantially. In the process, small and medium size business must be viewed as an additional source for achieving not only increased production but also the conditions required for competitive operations by the food workers.

At the present time, a committee of the food and processing industry, in close interaction with interested departments and scientific institutes, is developing the state program entitled "Food Goods." It will consist of an entire series of measures associated with stabilizing the production and processing of raw materials and the deliveries of products to the consumers. The plans call for making more complete use of leading foreign experience.

Extreme importance in this regard is attached to ensuring that an independent state administrative organ is tasked with coordinating all actions concerned with ensuring food support for the population. Notwithstanding a definite amount of concern being manifested at various levels in solving the key problems concerned with development of the food branches, many tasks still remain unresolved. They are first of all associated with a need for radical modernization and technical re-equipping of the food industry, the introduction of progressive technologies involving the use of foreign capital and active participation in this work by the appropriate scientific institutes and enterprises of the defense complex, in the form of conversion.

The urgent nature of the solutions for these tasks persistently demands the formation of a branch administrative structure for the processing and food industry. In other words, the food industry must have its own orderly

administrative system, one which will promote the carrying out of a unified scientific-technical and investment policy and, in the final analysis, stabilization of the food supply system.

Land Ownership, Purchase, Sale Argued

Referendum Being Used for Political Ends

934A0509A Moscow NEZAVISIMAYA GAZETA
in Russian 14 Nov 92 p 2

[Article by Sergey Pykhtin: "The Referendum Formula Is Politicized Through and Through. Unconditional Land Ownership Will Not Be Restricted by Any Legal Norms"]

[Text] Propaganda in favor of holding a referendum on land was structured so as to say that, supposedly, here in Russia legislation does not provide for private ownership of land, and consequently, citizens do not have a right to own, use, and dispose of land.

However, let us allow ourselves to quote the Constitution:

"Article 12. Output produced by peasant farms, means of production, and other assets which are necessary to perform their production and other operations not banned by law constitute....the property of peasant farms and their associations.

"Parcels of land for producing agricultural output are provided by the state for use, hereditary lifetime possession, or ownership....

"Parcels of land may be sold and otherwise appropriated only to the state as represented by a soviet of people's deputies, with the exception of transfers under a will.... Purchases and sales of parcels of land are not permitted for 10 years from the moment property rights to it are acquired."

Therefore, the right of private ownership of land, that is, the right of each citizen of the Russian Federation to own, use, and dispose of land, is codified in the Constitution and a number of laws of Russia.

What is the point? Why are the RDDR [Russian Movement for Democratic Reforms] and Democratic Russia desperately fighting to have a referendum on land? The difference between what has already been legally codified and what all of them want centers on two words—"unconditional ownership."

Unconditionality means that the ownership, use, and disposition of a private parcel of land cannot be regulated by any organ or restricted by legal norms.

Given unconditional ownership, land becomes an object of speculation. The striving to extract profits from land as a result of vulgar commercial transactions, which on top of this are not restricted in any way, rather than by

using land for productive purposes, will bring about the uncontrollable growth of land prices.

The transfer of property rights among individuals will sooner or later divorce the owner of the land from those who farm it, and will bring about giant land estates on one hand, and pathetic patches of a few hundredths of a hectare on the other hand.

The universal transformation of land into an object of regular transactions among citizens which are not regulated in any way will drive away from the land the strata of the population which now wish to acquire land to be farmed, and turn land into the property of those who possess monetary capital.

The transformation of land into a capitalized asset will immediately entail the growth of prices for both agricultural products and all types of goods.

The uncontrollable ownership, use, and disposition of land by private owners in rural and urban areas which is not regulated in any way will bring about a rampage of self-seeking, demands which are impossible to meet being made at any moment, and the impossibility of carrying out all public work projects.

Unconditional ownership of land will eliminate all influence on the owner by society and the state from the standpoint of ecology and the frugal use of land. The right of private ownership of land, which is not restricted in any way, will provide an incentive for the expansion of foreign capital. Foreigners will buy up the land easily and promptly by using proxies, especially in cities, in an environment in which inflation has virtually eliminated private monetary savings and the working capital of legal entities which engage in production activities and, in an unreal economy, has depreciated the ruble compared to all freely convertible currencies.

Therefore, even the most elementary analysis shows the true value of the referendum on the right to unconditional private ownership of land; the formula of the referendum has no legal meaning. It has been politicized through and through. From the standpoint of substance, the implementation of this formula cannot but bring about an aggravation of the socioeconomic crisis in Russia, because any revolutionary breakdown of land tenure brings about a social explosion, be it the 1861 peasant reform, the land reform of 1917, or the collectivization of 1929.

In the organizational aspect, the attempt to hold a referendum is aimed at deflecting the dissatisfaction of the bulk of the population from the actual creators of the crisis and channel this dissatisfaction toward the political opponents of "radical reforms," saddling them with all the miscalculations of these creators and the flaws of their economic strategy.

Follow-Up—An Alternative View

934A0509B Moscow NEZAVISIMAYA GAZETA
in Russian 9 Dec 92 p 2

[Article by Agdas Burganov, RGGU (expansion not given) professor, in the "Point of View" column: "Private Ownership of Land and of Everything Else—It Is by No Means the Same Thing"]

[Text] While seconding the arguments of Sergey Pykhtin (NEZAVISIMAYA GAZETA, 14 November 1992), I would like to approach the issue from a somewhat different angle.

Land should not constitute state or kolkhoz-sovkhoz property, nor should it be owned in other depersonified forms—first of all because land, unlike all other means of production, does not deteriorate as a result of operation but, given appropriate treatment, improves. The investment of capital and labor in land is designed for long-term recoupment, if you will, continuous recoupment, if such investment is made skillfully and continuously. Ignoring this circumstance brings about impoverishment and the economic demise of farming.

Collectivization amounted to the implementation of the thought of Marx that it was possible for the Russian rural community to develop "directly as an element of collective production on a nationwide scale." Communal land served as the basis for collective production. Having shed such a "primordial feature" (definition by Marx) as consistent reallocations which interfered with intensive operations, this common property developed another, still worse feature—being "no man's." It was precisely due to this circumstance that kolkhoz production discredited itself.

Land should be owned by those who farm it in order for each generation which invests labor and capital in it to be certain that they or their progeny will benefit from the results of their efforts. Precisely because of the underestimation of the private property factor with regard to the Russian peasantry, a land reform was carried out in the 19th century which prevented the emergence of a powerful class of owners. This was the prerequisite for the success of all three Russian revolutions.

The predominance of estate land ownership, along with the communal use of land, imparted to the mass consciousness the conviction that "land belongs to no one; land belongs to God." The 75 years in which alienation was practiced not only from private, but also from communal property, as well as the elimination of the peasantry as a class, could not pass without a trace. This is evidenced by a resistance on the part of many to the introduction of private ownership of land (a majority of the peasants).

Land is the only means of production which, first, cannot expand; its "expanded reproduction" is impossible. However, the fertile segment of the land may be reduced owing to natural processes or, most likely,

because of a rapacious attitude toward it. At the same time, the population grows continuously. Correspondingly, the value of land also grows continuously. Most paradoxically, land is subject to hidden forms of purchase and sale even if it is not privately owned. Gardening plots with rickety structures are sold at prices which exceed their cost several times over. Cases are common in which the new owner just tears down old structures. The discovery of minerals, economic crises, and access—location close to commercial centers, and so on—increase the price of land. The natural consequence of the aforementioned features of land is that its owner ends up owning its advantages exclusively, and not necessarily because of his personal contribution. Unconditional ownership of land (with the right to dispose of it as the owner sees fit) is fraught with speculation because the desire to extract as much profit as possible from property is ineradicable. Hence, it is not necessary to use land for production purposes. Hence, the desire to get land involved in commercial transactions. The uncontrollable growth of land prices will result, which will unavoidably divorce land ownership from those who farm the land, and bring about the concentration of land in the hands of the few.

Proceeding from the above, I believe that land should be owned in perpetuity and inherited by those who farm it, with the right and duty to use it as intended, but not to dispose of it as one sees fit (which is the rule in a number of contemporary civilized countries where land is privately owned). That is to say, society should have the right to encroach upon land tenure, but only through the courts.

Is this to say that land is to be entirely excluded from market relations? No. Nothing should be free and without a price in a democratic society with a market economy. Land should have a price which is subject to change, just as everything else. A citizen who wishes to acquire land pays to the land bank some of his share of the national wealth which he received in the course of the complete popular privatization, as well as his savings, if possible. Land is owned by citizens on a hereditary basis. Land is also sold when real estate located on it is inherited or sold. If a land owner refuses to use land as intended, it is sold to the land bank at its market price.

Purchase, Sale Options Necessary Despite Problems

934A0509C Moscow IZVESTIYA in Russian 15 Dec 92
p 3

[Article by Andrey Sizov, Sovekon, and Yelena Yakovleva, IZVESTIYA: "Why Do We Need Land Purchases and Sales After All?"]

[Text] The Congress has passed amendments to the Constitution which confirm private ownership of land and, at the same time, introduce rigid restrictions on the purchase and sale of land (a moratorium for five to 10 years). Some have joyfully commented that the issue has

been settled. Others have insisted that this version of private ownership of land is conditional and ineffective. Only the right to purchase and sell land may make such ownership full-fledged. Let us try to determine whether this innovation will result in a loss or gain for Russia.

A Land Market Will Not Result in Instant Abundance

The proponents of purchase and sale maintain that, once such are introduced, an abundance of foodstuffs awaits us. World experience and Stolypin's reform in Russia are the guarantees.

In principle, they are right. However, we should be aware that changes in the nature of land use and the status of owners, like all complex institutional changes, do not entail prompt effects in production itself. It is not worthwhile to have such hopes for at least three years to come. The purchase and sale of land will create prerequisites for a pick-up in production and, more importantly, its effectiveness in the medium term (three to five years) and long term (more than five years).

The reference to Stolypin's experience is not quite appropriate, either. As well-known historian of the peasantry V.P. Danilov maintains, a decline in the rate of growth of agricultural production occurred during Stolypin's reform. To be sure, the share of marketable output increased. This made it possible to supply grain for the urban population and the Army, and to increase resources for exports. However, for peasants, who accounted for 90 percent of the population in Russia, the higher share of marketable output against the background of an overall reduction in the volume of production meant an era of tightened belts. Stolypin-era exports were called starvation exports for a reason.

Heightened expectations of prompt results in terms of foodstuffs in our time may play against the very trade in land. They might hasten to veto it as something that did not justify their hopes. It is not in a position to justify such short-term hopes.

Yet another argument, quite a well-known one, gives rise to doubts: A small island of semiprivate property, called personal auxiliary plots, occupying three percent of the land of Russia, is ahead of the huge public sector in terms of productivity and effectiveness. If we do not approach this assertion as an "article of faith" and pore through statistics, we will have to admit the opposite: The effectiveness of production of the main crops (grains, oleiferous crops, and sugar beets) and animal husbandry on farmsteads is lower than on kolkhozes and sovkhozes, unexpected as this may sound. Only the crops which require a considerable input of manual labor (berries, vegetables, fruits) result in a higher efficiency of production per unit of area on personal auxiliary plots. However, it should be remembered that higher productivity, complete processing, and a high quality of storage are ensured on peasant farmsteads for a very small volume of output, which is geared toward feeding only the family and the most immediate relatives. Our personal auxiliary plots produce little for the market and are

close to self-contained farms. It is an even gloomier fact that many newborn peasant farms in Russia are also geared toward self-supply rather than toward marketable production. They account for as little as 0.3 to 0.5 percent of the total sales of grain and products of animal husbandry. Meanwhile, such farms already account for for more than three percent of agricultural land in Russia. That is to say, their percentage in terms of area is six to 10 times greater than in terms of sales.

If we now get carried away by the "philosophy of 0.06 hectares" which supposedly will feed the country, the end will be a sorry one: It will be complete parcellation and the breakup of all relatively large commodity producers—with the volume of production on each individual lot increasing, consumption by each individual family which has such a plot increasing, but the effectiveness of production and the share of marketable output in the agricultural sector as a whole falling. The slogan "Give everyone his 0.06 hectares!" means a nostalgia for feudalism rather than a dash toward capitalism.

Why Is a Land Market Necessary, After All?

It is not the success of personal auxiliary plots, but rather their failures that are an argument in favor of buying and selling land.

High productivity will not be ensured on 0.06 (or 0.20) hectares, because all crops have their effective scales of production. What if this scale is 120 hectares, while you own 60? The right to purchase and sell makes it possible to expand farming areas and to tap resources of land in order to create farms with an optimal scale of production and high shares of marketable output.

In the United States, the average size of a farm increased from 115 hectares to 185 between the 1960's and the late 1980's. Meanwhile, in our country the average size of a farm has been 40 to 42 hectares for three years now. Farmers have little opportunity to increase it.

Living for a long time in the environment of fixed, ossified land tenure made us grow accustomed to this. However, a normal agricultural sector is one with dynamic land use. Land cannot but pass from one owner to another; selling and purchasing it is the only regular way for it to move. Certainly, leasing is so, too, but it also is possible only on the condition of full-fledged private property. In the aforementioned United States, a farmer with private holdings who also leases land is the main type of agricultural producer. It is precisely to this type of farmer that 55 percent of the land belongs. Between the 1950's and the present time, the percentage of owners of this type has increased from 40 to 55 percent.

Besides, purchases and sales of land are a powerful factor in the social protection of the rural population. If a peasant is no longer able to work the land because of old age, sickness, or infirmity, he may sell or lease it to a neighbor, and move in with his son and daughter-in-law in the city, but as an owner with a reliable income rather

than as a dependent. The absence of purchases and sales of land blocks the regular flow of migrants from rural areas to the cities and vice versa. Having received land from the state on, for example, a 99-year lease "with the right to bequeath," an individual becomes virtually a serf on this land. Try moving to another place, and the land will no longer be yours. The right to buy and sell land is a natural human right.

Finally, one more reason for which, ideally, people from the rural areas should have turned out in city streets with placards: "Let Us Purchase and Sell Land!" Long-term credit is necessary for the establishment and reconstruction of owner-operated farms. It may be obtained when needed from a bank, for the most part on collateral. A pledge consisting primarily of land may provide the safest guarantee for the bank in the event of economic failure, because in countries with market economies, it is precisely the cost of land that grows at the highest rates among the assets of farmers. Land accounts for 70 to 75 percent of their assets in the countries of North America. The higher the land values, the stronger the position of farmers in the credit market. American farmers receive more than \$15 billion annually on real estate as collateral.

However, we do not see demonstrations in the streets with placards "Let Us Purchase and Sell Land!" because present-day agricultural producers have been corrupted by the system of subsidized financing. They are used to pleading for money and shaking it loose, incurring debts and failing to repay them to the state; they do not wish to give up such practices. However, in a regular economy, capital will not flow to agriculture as long as there is no market of land. No resolutions on the priority development of rural areas will improve the poor financial standing of agriculture—it is poor indeed.

Let us not forget that there is no such thing as a "market in general." There rather is a system of markets—of labor, capital, goods and services, and land. Not one of them is operating properly because another one is banned. There is no regular capital market because there is no land market. There is no dynamic labor market. Instead of a natural flow of migrants, we have serf-like dependence on land—for the same reason. As long as there is no land market, all of the markets are doomed to remain inferior and underdeveloped.

Will the Mafia Have Enough Funds To Buy the Entire Country?

The opponents of land purchases and sales consider this to be a great danger for the people, and they warn us about the horrible consequences. They are convinced that land will be bought up by shadow-economy types, black-market operators, and the "Soviet bourgeoisie," withdrawn from agricultural uses, built up with "motels and houses of ill repute," and so on.

Let us refer right away to the grain of truth in this "projection." Indeed, some of the land will unavoidably be withdrawn from agricultural uses once the purchase

and sale of land are introduced. However, it is being withdrawn at present, as well. Even now, officials and kolkhoz chairmen sell farmland for a pretty penny, to be used for dachas. Look at, for example, the row this summer in Aleksandrov, Vladimir Oblast, over large bribes for the sale of land.

Once official purchases and sales are introduced, some farmland will be withdrawn for housing construction, which is not all that bad. Some will be used for the already mentioned motels, and this will be a boon not only to tourists, but also to peasants, because a motel means excellent access roads and an additional market for the sale of agricultural products.

However, those who buy land for agricultural purposes, having invested money in them, will strive to maximize returns and efficiency. Instead of an extensive version of land use, we should receive an intensive one.

Besides, there is nothing to prevent legislators from introducing tax adjustments on the use of land. If you are involved in agricultural production, fine, your tax rate will be lower. If you build a house to live in, the tax will be harsher, and if it is a motel, the tax rate will be quite high.

Of course, it is naive to believe that there will be no land speculators who acquire land for resale. However, such transactions are most lucrative at present, when a land market does not exist. When the supply of lots goes up, profits from such transactions fall.

Incidentally, no special restrictions are necessary to defend ourselves against "shadow-economy types" who are prepared to buy up all of Russia with their ill-gotten millions and proclaim themselves estate owners and landlords. Just one little condition is needed: The future landlord should produce his tax declaration when purchasing land to be privately owned. There will hardly be enough declared income for eight hectares.

A market economy calls for economic relations to be transparent and discernible. Of course, there is no such thing as a problem-free future. Our society has no guarantee against corruption. However, the present-day quasi-market, intermediate situation creates far greater opportunities for machinations with land properties.

Reformers Should Not Be Egged on From Either the Right or the Left

Are land purchases and sales advantageous to the state? This depends on what we mean by the state: an official in charge of the redistribution of land, or a government which has set the goal of reforming the economy. It is certainly advantageous for the latter. By ensuring land ownership and full rights to use land for the rural population, the state, in a way, casts off the yoke of responsibility for the results of economic operations. The producer himself is responsible for these results directly. However, this does not mean that the state should remove itself from agrarian issues. The state is

the main regulator of land tenure anywhere and everywhere. It establishes conditions for the purchase, sale, and use of land, and monitors compliance with them.

The state cannot proclaim: Here is land for you, do whatever you want with it. Throughout the world, the land market is far more heavily regulated than, for example, the housing market, and so on. This market cannot be set in motion by inserting a single amendment into the Constitution. Amendments should be made thereafter in land and tax legislation, and preferences or restrictions on the use of land for particular purposes should be envisaged. A certain time lag, a gap, should exist between the insertion of the amendment in the Constitution and trade in land proper. It is necessary in order to devise specific arrangements for land purchases and sales.

The Land Bank should become the key "player" in land trading. Land banks usually value their reputation and do not engage in adventuresome, risky operations, because their most important asset, reputation, is at stake. The bank is interested in the effective operation of the producers of agricultural goods rather than land purchases and sales as such. Ruining a farmer or a kolkhoz is not advantageous for a land bank, just as the death of a borrower is not advantageous to a usurer. However, if a borrower counts on receiving major amounts of credit in order to expand production, this will only occur after bank specialists verify whether he has the knowledge needed, will receive resources, and will ensure the sale of products—that is, in essence, the bank plays the role of a financially interested consultant.

In our country, Aleksandr Rutskoy has long been raising the issue of the Land Bank. The 21st variant of the law on the Land Bank, developed by the Center for Agrarian Reforms, is "floating" somewhere in the parliament. It appears that the time has come to catch it.

There cannot be an automatic exercise of the right to buy and sell land. Those who are now fighting passionately for the private ownership of land with the immediate right to buy and sell for anyone at all should wait until specific arrangements for trading land are devised (a year at a minimum). Reformers should not be egged on either from the right or the left.

Which Path of Agrarian Evolution Will Russia Opt for?

In 1907, as Lenin criticized Stolypin from the left, he wrote about two ways of agrarian evolution in Russia—the Prussian way (landowners) and the American way (farmers). Both paths led to the same objective, but one presupposed "slower development" and immeasurably greater calamities and torment, whereas the other presupposed "the fastest development of production forces and the best...living conditions for the peasant masses." Though Lenin himself was thinking about a revolution at that point, this does not diminish the accuracy of the evolutionary alternative sketched by him.

At the time, Russia took the Prussian path (it was so led by Stolypin). Ultimately, this path also brought about certain economic results, but with great losses and at a great cost. So, almost 90 years later, we are choosing the path of agrarian evolution again, except this time it is not Prussian or American, but rather bureaucratic or market-oriented. We will arrive at a land market one way or the other. However, one path presupposes "slower development," a great many restrictions and delays, the preponderance of the interests of officials, and participation by individual players, whereas the other is the path for the mass inclusion of the peasants in market relations.

Land, Agrarian Reform Attitudes, Measures

Poll on Obstacles to Agrarian Reform

934A0553A Moscow MOSKOVSKAYA PRAVDA
in Russian 3 Dec 92 p 1

[Article by I. Konstantinov according to the data of Prof B. A. Grushin's service: "Who Hinders Agrarian Reforms?"]

[Text] Among the numerous problems of present-day Russia, agrarian reforms, very likely, disturb Russians most of all. It is understandable why. After all, every person must eat something (preferably every day), but to obtain daily bread is becoming more and more difficult for many.

Nevertheless, is there hope that the eternal, ill-fated food problem will be solved? Probably, yes, provided that a sober view—not clouded by political passions—of the state of agriculture and the causes impeding the obviously needed agrarian reforms prevails among government representatives, who, as before, remain the rulers of the people's destiny.

First of all, we would like to note that most Russians are advocates of evolutionary transformations, not of radical measures fraught with social complications. Thus, almost one-half of the respondents consider the coexistence of private and collective forms of ownership in rural areas fully possible.

Answers to the Question: Is Mass Development of Private Farming With the Preservation of Kolkhozes and Sovkhozes Possible? (in % of the total number of respondents)

Absolutely yes	14%
Rather yes	32%
Rather not	26%
Absolutely not	11%
Found it difficult to answer	17%

The rural population itself (48%), more often than others, considers the mass development of private farming with the preservation of kolkhozes and

sovkhozes impossible. Such a point of view dominates among representatives of the people of North Caucasus (58%) and the opposite opinion is most widespread among Bashkirs and Russians (52 and 49% respectively).

The overwhelming majority of Russians place the main responsibility for hindering agrarian reforms on government structures (a little more than one-half, on local bodies of administration and kolkhoz management and almost one out of four, on the supreme authority).

Answers to the Question: Who Today Most of All Hinders Reforms in Agriculture Connected With the Development of Private Farming? (in % of the total number of respondents)*

Local bodies of power	33%
Managers of kolkhozes and sovkhozes	21%
Government of the Russian Federation	15%
Supreme Soviet of the Russian Federation	9%
President and presidential structures	6%
Agriculture as a whole	5%
Ordinary kolkhoz members and sovkhoz workers	3%
Found it difficult to answer	19%

*In this case every respondent could give several answers, as a result of which their total sum exceeded 100%.

Students and private and joint-stock enterprise workers (71 and 47 percent respectively), more often than others, put the principal blame on local bodies of power; pensioners, kolkhoz members, and residents of North Caucasus (22, 23, and 14 percent), less often than others. Moslems are less critical during evaluations of any government structures than nonbelievers or Christians.

Will the authorities finally hear and be receptive to criticism "from below"?

Interview on Peasants' Land Reform Attitudes

934A0553B Moscow SOVETSKAYA ROSSIYA
in Russian 19 Dec 92 p 1

[Interview with Candidate of Philosophical Sciences G. S. Shirokalova, associate at the Institute of Sociopolitical Research of the Russian Academy of Sciences, by P. Orlov, Nizhny Novgorod; date not given: "Do Peasants Want Redivision?"]

[Text] The problem of land, or rather, of land ownership, is one of the most acute problems of present-day policy in Russia. Who does not conduct all kinds of sociological research on this subject? In some research everyone to the last man is for private ownership, while in other research, categorically against it. Why are the research results so different? After all, there is only one problem.

From this "why" we began our talk with Candidate of Philosophical Sciences G. S. Shirokalova, associate at the Institute of Sociopolitical Research of the Russian Academy of Sciences.

[Shirokalova] Everything depends on the extent to which scientists follow the principles ensuring the objectivity of research. For example, if we ask whether reforms are needed, the majority will say "yes." Everyone wants to escape from today's nightmare. One can limit oneself to this answer and pass it off as approval of the conducted policy. However, answers to questions clarifying the direction of reform will not be in favor of today's government if, for example, peasants are asked.

[Orlov] However, can every person be considered an expert capable of evaluating the consequences of the decisions made by the government?

[Shirokalova] Why not? Each of us can evaluate some aspect of life in which he is a professional. I especially stress the latter. The fact that, for example, a 30-year old city dwelling physicist worked at the commission on the drafting of agrarian legislation points to the reasons for the perpendicularity of agrarian reform to life, not to his all-round nature.

[Orlov] However, experts' opinions often are dissimilar...

[Shirokalova] Of course, but this does not repeal the laws of social statistics. For example, we surveyed by questionnaire the participants in the picketing of the Government House organized by the Agroprom Trade-Union Central Committee in September 1992. Who came to the picketing? A total of 85 percent were from rural worker and peasant families, every three out of four were 26 to 50 years old, more than 80 percent were men, and every second was a farm manager and specialist—in brief, the most socially and professionally active part of the rural population, which should be the moving force of reform. But the majority does not accept it.

[Orlov] Reform has paralyzed agriculture. Now a great deal is being said about "scissors" of prices of agricultural and industrial products. However, there are more dangerous "scissors"—between the price of agricultural products and their production costs and outlays.

[Shirokalova] You are right. Here is another example. It is well known that the "redivision" of land occurred in accordance with the average rayon share multiplied by the number of farm workers and did not take their specialization into account. Two-thirds of the respondents noted that after the "redivision" the amount of land on their farm decreased. This especially affected strong, well-mechanized farms, where, owing to equipment, the number of workers was smaller.

[Orlov] Incidentally, when reforms were implemented in tsarist Russia, everyone was never reduced to the same level. Types of agricultural production, the traditional

way of life, the population density, and the people's idea of social justice were taken into consideration.

[Shirokalova] Today social justice is not in vogue. For example, there is not a word about lone old men in the decrees and edicts on the dissolution of collective farms. Meanwhile, according to the data of Russia's State Committee for Statistics, every fourth rural dweller is a pensioner, often alone. But during the emancipation of the peasants in 1861 Article 361 of the General Statute on Peasants stated the following:

"Duties of every rural society: care of very old, enfeebled, and crippled members of society, who cannot acquire food with their labor, who do not have relatives, or whose relatives are unable to support them; care of orphans."

More than one-half of the respondents do not doubt that old men have been hurt by agrarian reform.

Only every sixth person believes that those who can work on land will become its owners and every tenth person, that it takes into account the peasantry's fundamental interests, that interest in labor will increase, and that small villages will be revived. One out of 15 believes that food purchases abroad will decrease.

Peasants visualize the consequences of the agrarian experiment perfectly well. The distribution of the answers is so indicative that I will present the table.

	Agree	Rather Yes Than No	Do Not Agree
Land speculation will begin	51.0	30.0	10.5
Big landowners will appear	48.0	25.5	23.5
Most peasants of the next generation will be farm laborers	54.0	22.5	13.5
Conditions of children's training and education will deteriorate	55.5	22.5	13.5
Conditions of daily life will deteriorate	54.0	22.5	10.5
Peasants' children will not have the opportunity to choose the professions and education they like	55.5	21.0	10.5
Pensioners' situation will deteriorate	63.0	13.5	10.5
Peasants' well-being will be determined by "buying and selling" skills, not by work on land	49.5	27.0	18.0

	Agree	Rather Yes Than No	Do Not Agree
Farmers will lose national qualities: collectivism and mutual assistance. This will be a different nation	36.0	22.5	16.5
Quarrels will begin in collectives owing to the different size of a share	49.5	24.0	13.6
Free time will decrease	54.5	28.5	7.5
Peasants' cultural level will decline	54.5	16.5	12.0

[Orlov] The data are impressive. However, I would like to note another important factor, which is forgotten both by the advocates and opponents of private land ownership. The cancellation of the moratorium on the sale of land will immediately increase its value and, consequently, the rent and so forth. Within 2 to 3 years this will lead to a manifold increase in the payment for accommodation and in the cost of products and industrial goods, of transport fare, and so forth and so on. After all, the capitalists will buy up not islands in the Arctic, but better city and rural land, in order to have a high income from leasing it out to the city, enterprises, and peasant farms.

[Shirokalova] I will add to this that within 1 or 2 years the newly established firms and farms will immediately face both a high purchase price of land and a high price of the means of production. The starting opportunities of future generations will be hurt.

[Orlov] K. D. Kavelin, historian, legal expert, gentleman by birth, and landowner, wrote well about this as long ago as 1859: "Unfortunately, land is not limitless. No matter how much of it is available, if it is handed over for private ownership, it will immediately become the object of a kind of jobbing and commercial competition. People will begin to buy and sell it for profit. Strong capitalists and industrial companies will engage in this business. Its price will rise and, as the population grows, the mass of landowners, with very few exceptions, will turn into farm laborers and homeless people at the complete mercy of [big] land proprietors."

[Shirokalova] Peasants understand this. A total of 76 percent of the respondents believe that the allocation of land as public property for free and termless use to those who work on it personally, with the right to bequeath it, meets the peasantry's interests; that is, as was the case according to the Constitution of the Soviet Union and the RSFSR. A total of 20.6 percent also agree to the leasing of land as public property with the right of bequeathal. But only 3 percent are for private ownership in any amount and, moreover, with the right of sale to foreigners (what Yeltsin wants to clarify through a referendum).

Peasants realize the antithesis of their interests and those of entrepreneurs. In the opinion of the respondents it is unprofitable for entrepreneurs when land is public property.

Peasant Farming Increases in Several Regions

934A0553C Moscow SELSKAYA ZHIZN in Russian
22 Dec 92 p 3

[Article: "Land to Farmers!"]

[Text] There are many obstacles in the path of the cherished field. Despite all the difficulties the farming movement in the Russian Federation is growing and spreading.

The documents of Russia's State Committee for Statistics are the best confirmation of this. For example, in October the number of peasant (private) farms in Russia increased by 11,600 (in September, by 9,700 and in August, by 5,500). By 1 November the total number of peasant farms was almost 162,000 with an area of 8.8 million hectares of agricultural land. This represents only 3 percent of the total area.

Land committees in some regions operate more actively and decisively. For example, in Saratov, Astrakhan, Volgograd, and Kurgan oblasts, in Krasnodar and Khabarovsk krays, and in Kalmykia and Buryatia farmers' holdings occupy 4 to 6 percent of the agricultural land.

The fact that a significant number of farmers received comparatively small land plots for use puts us on guard. Throughout Russia at the beginning of November more than one-half of them had about 20 hectares of land, one-fourth, 21 to 50 hectares, and only 8 percent, more than 100 hectares. Well, as the saying goes, good things come in small packages. In considerate and skilled hands even a small plot of arable land is a big treasure.

Extension of Term for Free Privatization

934A0553D Moscow IZVESTIYA in Russian 10 Dec 92
p 2

[Article by Yelena Yakovleva, IZVESTIYA: "Term for Free Privatization of Land Plots Has Been Extended"]

[Text] Russia's President B. Yeltsin signed the Law on Inserting Amendments to Article 7 of the RSFSR Law on Land Reform, which extends the term for free privatization of land plots for private subsidiary farms, dachas, orchards, and gardens.

We will recall that, according to the Law on Land Reform, the term for free privatization of land plots already in citizens' possession expired on 1 January 1993. Lines were formed at local soviets. A total of 17.7 million Russian citizens did not have the time to legalize land for ownership, possession, and use. The Committee on Land Resources and Land Management addressed a request to the Supreme Soviet to extend the registration

term by 2 years. The Supreme Soviet made the registration termless and Yeltsin supported this.

That is, we can now legalize dachas, orchards, gardens, and garages, which we have already used, for ownership whenever we want. However, this applies only to citizens. The previously established right to use land plots is reserved for enterprises, institutions, and organizations until 1 February 1993.

However, nor should citizens forget the legalization of their private subsidiary, dacha, orchard, and garden plots. The country lives in a situation of changes and the prospects, for example, for the buying and selling of land are much safer and much more desirable if your land ownership is legalized.

Parliament Reexamines Land Ownership Law

934A0553E Moscow SELSKAYA ZHIZN in Russian
24 Dec 92 p 1

[Article: "Amendments Were Adopted"]

[Text] (ITAR-TASS). The Russian Parliament reexamined the Law on the Right of Russian Federation Citizens To Receive for Private Ownership and Sale Land Plots for the Management of Private Subsidiary and Dacha Farms, Horticulture, and Individual Housing Construction. The President of Russia imposed a veto on this document.

The amendments of the head of state to the legislative act were adopted by deputies. And they voted for its new wording. In accordance with the parliament decision Russians, who had received land plots for private ownership, were given the right to sell them to other citizens of the Russian Federation, irrespective of the date of acquisition of the right to the ownership of the sold land plot within the norms for the granting of land plots. At

the same time, the law has the following reservation: Unless otherwise established by law, the owner's use of the acquired plot not according to the specific designation is not permitted.

The Supreme Soviet proposed that President Boris Yeltsin instruct the government to work out the procedure for the buying and selling of land plots by Russia's citizens for the indicated purposes before 1 February 1993.

Vice Premier Makharadze Heads Food Commission

934A0553F Moscow SELSKAYA ZHIZN in Russian
22 Dec 92 p 1

[Article: "Food Commission Formed"]

[Text] (ITAR-TASS). In accordance with the decision dated 17 December of the Russian Government a government food commission headed by vice premier Valeriy Makharadze was formed.

All cabinet decisions on the use of grain and food from state reserves will be made only after their preliminary examination by the commission.

DELOVOY MIR Economic Statistics, 28 November

934A0527A Moscow DELOVOY MIR in Russian
28 Nov 92 pp 2-3

[Report by economists Valeriy Galitskiy, Aris Zakharov, and Aleksandr Frenkel, Moscow: "Output of Food Products Is Dropping"]

[Text] The socioeconomic situation of the Russian Federation is characterized by the following data (in current prices, billion rubles):

	January-October 1992	1992 as a Percentage of 1991 (in Comparable Prices)		
		January-October	October	Forecast for 1992
Gross Domestic Product, trillion rubles	10.3-10.4			
Volume of industrial production (contracts, services)	10,928	81.9	75.4	80
Production of consumer goods	3,163	83	83	82
including:				
food products	1,353	80	79	78
alcoholic beverages	232	91	89	91
nonfood items	1,578	85	86	83
Commissioning of residential housing by state enterprises and organizations—million square meters of total space	15.3	73		60*
preschool facilities—thousand places	47.2	72		70*
general education schools—thousand pupil placements	161.1	63		70*
Procurement of agricultural products—million tonnes				

	January-October 1992	1992 as a Percentage of 1991 (in Comparable Prices)		
		January-October	October	Forecast for 1992
grain (as of 11/02/92)	23.6	109	two-fold	109
potatoes (as of 11/10/92)	2.5		92	60
vegetables (as of 11/10/92)	2.3		62	65
sugar beet (as of 11/10/92)	10.1	55	100	55
cattle and poultry	5.6	73	84	73
milk	23.6	76	72	76
eggs—billions	19.5	76	79	76
wool—thousand tonnes	45	50	78	50
Freight (shipping) of cargo by general use transport—billion tonnes	4.3	80	69	
Retail turnover—trillion rubles	2.2	61	69	66
Paid services—million rubles	221.9	63.3	67.2	60
Population's monetary income—trillion rubles	3.8	6.2-fold**	10-fold**	7.4-fold**
* from all sources of financing				
** in current prices				

The national income produced on the territory of the Russian Federation in January-October of 1992 amounted, according to preliminary estimates, to 8.6 trillion rubles [R]—a 20-percent decline as compared with the corresponding period of last year.

Privatization and Entrepreneurship

Among the priority problems in the sphere of institutional transformations is the privatization of state and municipal property, conversion of enterprises into joint-stock ownership, and the transfer into private ownership of a number of means of production. The transformation of forms of ownership and the formation of a competitive environment is accelerating, albeit slowly. By the beginning of October, over 24,000 enterprises in various sectors of national economy were converted to private ownership; of them, 83 percent were municipal enterprises; 12 percent state property of Russian Federation constituent republics, krais, and oblasts, and of the cities of St. Petersburg and Moscow; and 5 percent were federal property.

The process of privatization in industry is lagging considerably behind the schedule envisaged by the State Program, thus slowing down the formation of the class of proprietors and a competitive environment in the economy. For instance, territorial property management committees have only made decisions on the privatization of 1,180 industrial enterprises (4 percent of their total number). In real terms, privatization has been completed on 535 facilities, including 62 enterprises in machine-building; 70—in the timber, woodworking, and pulp and paper industry; 94—in the construction materials industry; 105—in light industry; and 148 in the food-processing industry.

In the course of implementing agrarian reform in Russia, redistribution of land, its privatization, and reorganization of kolkhozes and sovkhoses is continuing.

According to Roskomzem [Russian Committee on Land], by 1 October 13.8 million hectares of land were earmarked for redistribution and intended for allocating lots for individual plots, collective gardens and vegetable gardens, organizing private farms and agricultural cooperatives.

Over nine months of this year, 1.3 million hectares of land have been allocated to individuals for agricultural plots, which comprised 36 percent of the total land available for this purpose as of the beginning of 1992. Likewise, 169,000 hectares have been allocated for collective gardens, which is 40 percent less than during the same period a year ago. Collective gardening plots were assigned to 1.7 million families, with 9.8 hundredths of a hectare on average allocated per family. At the same time, the total area allocated over this period for collective vegetable gardens (383,000 hectares) was almost 10 percent less than over the nine months of 1991. Plots in collective vegetable gardens were assigned to 6.0 million families, with 6.2 hundredths on average per family.

All of this has produced certain structural changes in agricultural production. As a result of the redistribution of land, the role of population's individual plots has grown perceptibly. The share of these entities in potato and vegetable production is increasing. The share of horned cattle owned by individuals as of 1 October of this year has increased from 21 to 24 percent as compared with the same period of last year; of cows—from 27 to 31 percent; of pigs—from 25 to 30 percent; and of sheep and goats—from 29 to 34 percent. It is estimated

that this year individual agricultural entities will produce more than one-third of the total output of meat and more than one-quarter of the milk.

At the same time, smaller quantities of piglets being produced at agricultural enterprises in 1992 had a negative effect on the availability of young animals for individual agricultural entities and peasant homesteads. This, together with difficulties with respect to availability of fodder for individually owned cattle, has led to a substantial (almost double as compared with last year) deceleration of the pace of expanding the herd at privately owned entities, and in a number of territories to its actual reduction.

A certain slowdown in the process of setting up peasant (private) farms during the summer period gave way to a perceptible acceleration in September-October. In October, 11,600 private farms were set up, with another 10,000 during the preceding month, as compared with 6,000-9,000 farms set up in June-August of this year. By 1 November 1992, the total number of private farms was 161,700, covering a total area of 6.8 million hectares (42 hectares on average per farm).

This year individual farmers sold the state 0.5 million tonnes of grain (2.2 percent of procurement from all categories of farms), 10,900 tonnes of potatoes (0.5 percent), 16,800 tonnes of vegetables (0.8 percent), 17,000 tonnes of cattle and poultry (0.3 percent), and 60,000 tonnes of milk (0.3 percent).

According to forecasts, by the end of the current year 180,000-190,000 private farms will be registered in the republic; they will employ 480,000-510,000 people. It is estimated that in 1992 individual farmers will produce approximately 1 percent of the total agricultural output in Russia.

In capital construction, more than half of the total volume of work is being done by state-owned contract organizations, and 23 percent by leased organizations. The share of work done by joint-stock companies is

increasing (in 1991 it amounted to 5 percent, while in January-October of 1992—16 percent).

The process of selling off unfinished construction projects is proceeding slowly. Over nine months of the current year only 174 projects with a total value of R0.8 billion were sold in Russia; more than half of them were municipal property, and only five were state property of the Russian Federation. One-third of them were trade and public catering facilities. No large unfinished industrial projects have been put up for sale. At the time of sale, construction on two-thirds of the facilities had been suspended.

The process of privatizing automotive transportation is proceeding slowly. Overall in Russia as of 1 November of this year, 193 automotive enterprises have been privatized (4 percent of all automotive enterprises). In 29 regions of Russia privatization of automotive enterprises is yet to begin.

The share of joint-stock and collective automotive enterprises in the total volume of shipping by automotive transportation amounts to about 4 percent. In Moscow, 18 percent of cargo is transported by joint-stock enterprises.

The Kaliningrad and Vyborg sea merchant ports have been privatized.

At this point the foundation for the creation of a competitive environment in the consumer market is practically in place: in the course of commercialization, 27 percent of retail trade and public catering enterprises and 19 percent of consumer services enterprises have received the status of legal entity.

By 1 November of this year, 13,100 enterprises in retail trade, 3,700 in public catering, and 8,100 consumer services enterprises had changed form of ownership. Although slowly, the process of "small business" privatization in Russia is gathering speed, as evidenced by the following data:

	1992			
	As of 04/01	As of 07/01	As of 10/01	As of 11/01
Privatized facilities as a percentage of their total number as of 01/01/1992				
retail trade	0.7	3.8	6.3	7.7
public catering	0.7	1.5	2.3	2.7
consumer services	0.5	3.1	5.4	6.5

The main method of privatization with respect to retail trade and consumer services is commercial bidding whereby the owners of acquired facilities undertake an obligation to meet certain conditions (this was used by 43 percent and 56 percent of privatized enterprises, respectively); in public catering, it is a buy-out of leased property (36 percent). Auctions were the preferred vehicle in selling 16 percent of stores, kiosks, cafeterias, etc. and 14 percent of tailor and repair shops.

According to data from the survey of managers (owners) of 238 privatized retail trade and public catering enterprises and 90 consumer services enterprises, every other respondent noted that privatization has improved their enterprise's operation. Among positive results they indicated higher wages (43 percent) and labor productivity (42 percent) of employees, reduced staffing (31 percent), and increased profits (30 percent); at the same time, only one-quarter of them registered an increase in the number

of buyers (customers). Only every third enterprise surveyed has raised the level and quality of services. Every other manager indicated that their expectations from privatizing have been fulfilled.

In the wholesale trade dealing with consumer goods, 144 enterprises (without the Russian Textile Trade Administration) currently have been privatized (31 percent of the total number of state enterprises), including 36 in the Obuv [Footwear] Association (53 percent); 23 in Roskul-topt [Russian Wholesale Administration for Cultural Goods] (35 percent); 25 in Rosoptprodorg [Russian Wholesale Administration for Food Products] (20 percent); 22 each in the Galantereya Association and Roskhozorg [Russian Household Goods Wholesale Trade Administration] (33 percent and 34 percent, respectively); and 16 in the Odezhda [Clothing] Association (21 percent).

During January-October, 1.5 million apartments were privatized in the state and public residential housing stock in the Russian Federation, which comprises about 5 percent of the total number of apartments subject to privatization. The total living space of these apartments is 73 million square meters, and the average apartment size—48 square meters. As compared with the corresponding period of last year, the number of privatized apartments in Russia increased 19-fold. Of their total number, 1.2 million (80 percent) apartments with a total area of 58 million square meters have been transferred into private ownership of Russian Federation citizens free of charge.

As of 1 October 1992, 300 nonstate general education schools have been registered in Russia (85 in 1991); as of 1 November of this year, 40 nonstate higher learning institutions have been registered.

The population's active involvement is being held back by the slow issuance of privatization vouchers. As of 5 November, offices of the Savings Bank of Russia have issued 26.7 million vouchers (6.6 million as of 16 October) for an amount of R262 billion to 18 percent of the population of Russia. Such a situation with respect to issuance of privatization vouchers is a result of work on preparing eligibility lists not having been completed; the population being inadequately informed; poor interest on the part of citizens; slow conversion of enterprises into joint-stock ownership; insufficient availability of safe, liquid securities; and absence of privatization investment funds.

The efforts being undertaken by the government with respect to raising the market value of the privatization voucher—expanding the sphere where vouchers may be used, as well as organizing auctions for selling property and stock for privatization vouchers—so far have not brought the desired results on a large scale. Commercial structures buy up vouchers for cash at prices below face value.

Industry

In January-October of this year the trend towards the decline in industrial production continued, due to a large extent to the disruption of economic ties, reduced deliveries of raw materials, supplies, and components for imports, and insolvency on the part of consumers.

Over 10 months of this year, the volume of industrial production amounted to 81.9 percent of last year. The decline of industrial output occurred in all regions of Russia, as well as all industry sectors.

Power generation dropped by 5 percent in January-October of this year. The greatest drop in power generation (by 9-15 percent) occurred in such industrially developed regions as Sverdlovsk, Kemerovo, Novosibirsk, Moscow, Tula, Kursk, and other oblasts. Some regions in the Urals, Northern Caucasus, Siberia, and the Far East also have experienced restrictions in the electric power supply.

Over the 10-month period the production of oil in Russia declined by 14 percent as compared with the same period of last year, including by 16 percent in Tyumen Oblast; the production of coal in Russia declined by 4 percent, including by 3 percent in Kemerovo Oblast and by 6 percent in Krasnoyarsk Kray. The situation is considerably worse in Maritime Kray and Irkutsk Oblast, where the production of coal has dropped by 7 percent and 12 percent, respectively. These regions also remain behind schedule with respect to preparation work at open-pit mines. As of 1 October of this year the supply of coal ready for excavating was 7 percent below the norm in Maritime Kray and 12 percent below the norm in Irkutsk Oblast (overall in Russia the decline amounted to 0.9 percent). Because of the shortage of rolling stock, mined coal is accumulating in mining enterprise warehouses. As of 1 October of this year the volume of residual coal stocks left at warehouses in Rostov Oblast was three times higher than the norm, and in Maritime Kray—1.4 times higher.

Over the current year the disproportion between the raw materials and processing branches of the timber industry has been growing, which is caused by a chronically lagging volume of timber logging. In January-October of this year, as compared with the corresponding period of last year, the production of commercial timber dropped in all regions of the Russian Federation with the exception of Tula and Orenburg Oblasts. The decline since the beginning of the year amounted to 13 percent. Enterprises in the largest timber-logging regions—Arkhangelsk, Sverdlovsk, Perm, and Irkutsk Oblasts, the Republic of Karelia, and Krasnoyarsk and Khabarovsk Krays—have fallen considerably behind the production schedule.

The shortfall in deliveries of raw materials especially acutely affects the lumber industry, which is the main consumer of commercial timber. The production of lumber in January-October amounted to 31.6 million

cubic meters, or 80 percent of the level of the corresponding period of last year. Of 76 regions that have lumber industry enterprises, 75 have reduced their output.

In the construction materials industry, cutbacks in the volume of capital construction and the lack of demand for output, whose prices have increased by many times, led to a decline in the production of most construction materials in January-October. The output of prefabricated ferroconcrete components and parts, as well as aluminum alloy components, fell on average by 20-29 percent in all regions of the republic where such items are produced.

Over 10 months of this year, R3.2 trillion worth of consumer goods were produced, or 83 percent of the level of the corresponding period of last year. The output of goods dropped in almost all regions of the Russian Federation (with the exception of Murmansk and Magadan Oblasts). The main causes of the production decline are the lack of raw materials and components, difficulties in selling the goods produced because of insolvency on the part of consumers, and reduced demand for the products because of their dramatically higher prices, as well as intensification of interethnic conflicts in some regions.

Despite a certain increase in the average daily production of a number of basic food products in October as compared with September of this year, the lag in production as compared with the corresponding period of last year has practically not been reduced over 10 months. In the absolute majority of regions of the Russian Federation the situation with respect to food production remains unsatisfactory.

Enterprises in all republics, krais, and oblasts have cut back the production of meat and whole-milk products, and in practically all regions—of sausage, confectionery items, and cheeses; in one-quarter of the territories the production of margarine has been reduced.

About 80 percent of the territories have cut back the production of granulated sugar made of state-procured stocks. The main reason for this was smaller volumes of state procurement of sugar beet as compared with October last year. At the same time, production of sugar from customer-supplied sugar beet increased 10-fold and now amounts to about one half of the total volume of granulated sugar produced. The greatest volumes of customer-supplied sugar beets were processed at enterprises in Voronezh, Kursk, and Tambov Oblasts and Krasnoyarsk Kray. Overall over 10 months of this year the production of granulated sugar increased by 10 percent as compared with the corresponding period of last year. A decline in output occurred at enterprises in Ryazan, Tula, Belgorod, Lipetsk, and Samara Oblasts, in Mordovia, Chechnya, Ingushetiya, and Altay Kray.

The situation worsened in October with respect to the production of bread and bakery products. The greatest decline in production as compared with October of last

year took place at bread-baking enterprises in the Republic of Komi (by 48 percent) and Karachayev-Cherkessia (by 69 percent), as well as in Kaliningrad, Belgorod, Kurgan, Amur, and Chita Oblasts and in Krasnodar and Stavropol Krays (by 25-40 percent).

Agriculture

Farms in some regions of Russia continued deliveries to state stocks after completing the harvesting of agricultural crops. By 16 November, 24.0 million tonnes of grain had been procured for state stocks, which is 2.1 million (9 percent) more than by this time last year. Over the past two weeks the increase amounted to 0.4 million tonnes. Overall, 22 percent of the total threshed volume of grain has been sold to the state, and 82 percent of the mandatory target quantities have been delivered to the state. Maritime Kray and the Republic of Udmurtia, which delivered to the elevators 99.4 percent and 98 percent, respectively, of mandatory target quantities, may soon join the list of the 20 territories that have fulfilled minimum mandatory delivery requirements. In the expectation of a favorable state of the market, many farms put considerable quantities of grain in storage at state procurement centers.

State procurement of sunflower seed amounted to 1.1 million tonnes, or 55 percent of last year's level. Considerable quantities of seed are being delivered by the farms to processing plants for processing and returning the output to the customer. Another factor that affected the reduced volume of procurement of oil-producing crops this year was the fact that their harvesting started later than usual. State procurement of oil-producing seed is being held back by the farms of Voronezh Oblast and Krasnoyarsk, Stavropol, and Altay Kray.

Replenishment of state stocks of potatoes and vegetables and their shipment to consumers is proceeding unsatisfactorily. By 10 November, 2.5 million tonnes of potatoes and 2.3 million tonnes of vegetables were procured, which is little more than half the amount of last year. Only one-third of the needed quantity of potatoes, 42 percent of the vegetables, and one-fifth of the fruit and berries have been shipped to the consumers of centralized stocks, which supply the cities of Moscow and St. Petersburg and the regions of the Far North. In the capital, the shipments amounted to 26 kg of potatoes and 42 kg of vegetables per resident; in St. Petersburg—15 kg and 17 kg, respectively (a little more than half of last year's level). Shipments of onions and garlic to the capital and St. Petersburg have practically not begun. The situation with respect to shipments of produce to residents of the Far Northern regions is unsatisfactory—they have received only up to 40 percent of the needed quantities. The northern regions of Arkhangelsk Oblast and the Republics of Komi and Sakha (Yakutia) received up to one-third of the needed quantities of vegetables, and Sakhalin Oblast—6.4 percent.

Laying in storage seed for spring grain and pulse crops (without corn) is underway at farms of the Russian

federation. As of 1 November, 10.2 million tonnes have been stored, or 97 percent of the farms' needs. However, the farms of only 38 regions in Russia have a full supply of the required seed grain. The stocks of seed potatoes at farms are inadequate. Ryazan and Kostroma Oblasts and the Republics of Mari El, Udmurtia, and Chuvashia are the only ones with sufficient stocks of seed potatoes. Kursk Oblast has only about one-third of the needed quantity of seed potatoes, and Voronezh, Penza, Saratov, Chita, and Kaliningrad Oblasts have 59-73 percent of the needed quantities.

The Consumer Market

Trading practices in the Russian Federation are becoming increasingly liberalized; new physical and legal entities are entering the market on a large scale. The distribution system of supplying the population with goods is gradually being displaced by true trade; entrepreneurship is developing. The monopoly of wholesale

enterprises on supplying retail trade with goods is weakening. They currently supply 54 percent of goods to the stores as compared with 68 percent a year ago. State retail establishments account for 70 percent of retail turnover (in January-October of 1991 it was 75 percent). Over 10 months of this year state, cooperative, private, and other establishments sold R2.2 trillion worth of goods (in current prices this constitutes a 6.6-fold increase as compared with the same period of 1991, while in physical volume it constitutes a 39-percent decline). Private enterprises account for 6 percent of trade turnover. It is estimated that over January-October of 1991 the population purchased R329 billion worth of goods from private individuals. This accounts for 11 percent of all purchases by the population. Over the same period industrial enterprises sold R66 billion worth of goods at free-floating prices, which accounts for 3 percent of all retail turnover (1.8 percent last year).

During the past week—9 to 13 November of this year—continuously rising prices for basic food products caused slower sales and accumulation of stocks, as shown by the following data:

	As a Percentage of the Previous Week				Store Saturation Index*	
	Production	Sales	Retail Trade Stocks	Average Retail Prices	11/02-11/06	11/09-11/13
Meat	80	87	103	103-105	3.2	3.1
Vegetable oil	116	87	104	117	2.2	2.3
Sugar	79	89	101	108	2.7	2.8
Bread	104	94	103	101-105	3.9	3.9

* Values of this index range from 1 to 4; they are average weighted values for city groupings calculated according to the following market situations: (1)—product not available for sale; (2)—product sold using coupons; (3)—product purchase requires standing in line; (4)—product may be purchased freely.

Meat was not available for sale in 52 of the surveyed stores; butter—in Arkhangelsk, Pskov, Smolensk, Izhevsk, Tomsk, Abakan, Yuzhno-Sakhalinsk; whole-milk products—in Kostroma, Makhachkala, Omsk, Ufa, and Vladivostok; eggs—in Voronezh, Nalchik, Tyumen, Ufa, Vladivostok, Birobidzhan, Yuzhno-Sakhalinsk, and Yakutsk. Bread lines were observed in Tula, Maykop, Makhachkala, Groznyy, Omsk, Irkutsk, and Khabarovsk.

Residents of 32-57 cities experienced difficulties with respect to purchases of alcoholic beverages and tobacco products in the stores surveyed.

Department stores are not yet sufficiently stocked with winter clothing. Last week in the half of the stores surveyed women's winter coats, men's and children's warm jackets, and winter boots for both adults and children were not available for sale; in every third store children's fake fur coats were not available. Among such cities are Murmansk, Bryansk, Vladimir, Yoshkar-Ola, Tambov, Orenburg, and Irkutsk.

Over January-October of this year R222 billion worth of paid services were provided to the population, which is

five times more in current prices than during the corresponding period of 1991. The physical volume fell by 37 percent.

Despite the fast-rising cost of television and radio, complex household appliances, and auto repair services, the population's demand for them continued to exceed the supply. Practically all shops engaged in repairs of refrigerators (93 percent) and cars (94 percent), and three-quarters of those in television and radio repairs do not have the needed quantities and assortment of spare parts, components, and materials. Only 70 percent of television sets brought in for repairs are fixed; with respect to refrigerators, the figure is 50 percent, and cars—40 percent.

Prices on the Consumer Market

In the beginning of November the rate of price increases remained high. Over the period of 3-10 November prices for basic food products rose at the rate of 5.8 percent, including 4.3 percent in retail trade and 9.6 percent at city markets, that is, the rate of increases practically remained at the level of the weekly increases in October of this year (5-6 percent). In September the average weekly increase was 3-4 percent, and in July-August—1-2 percent.

In retail trade prices rose across practically the entire range of monitored goods. The greatest price increases for the indicated period were observed with respect to vegetable oil (9.9 percent), sugar (10 percent), rice (10 percent), and oatmeal cereal (9.7 percent).

Prices for animal husbandry products at city markets rose faster than those in retail trade. By 10 November, city market prices for sour cream were three times higher; for cottage cheese and milk—two times; for beef, pork, eggs, and beets—40-50 percent higher; and for vegetable oil and butter—20 percent higher. Prices for vegetables and potatoes at city markets and in retail trade were almost the same.

Over the past week the greatest price jumps (by 30-50 percent) occurred in Cherepovets, Yaroslavl, Ulan-Ude, Vladivostok, and Kursk. Over the past two months prices for food products rose in Makhachkala—three-fold on average; in Tyumen, Murmansk, Izhevsk—two-fold; in Moscow, Lipetsk, and Stavropol—by a factor of almost 1.5.

Over the past week the greatest price increases were registered for footwear (7 percent). As of 10 November average prices in Russia were as follows: men's low shoes—R3,400; women's boots—R8,200; women's shoes—2,700. Since the beginning of September the prices for more than half of the consumer goods surveyed have risen by a factor of 1.5-2.

If the current rate of price increases is sustained, in the first 10 days of December the monthly index of retail prices for surveyed consumer goods will be 125-127 percent.

Presence (Absence) of Goods in Cities as Registered on 10 November

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
	in retail trade			total		
Beef, Category I	108	24	18.18	127	5	3.79
Pork	57	75	56.82	118	14	10.61
Meat patties (per 10)	32	100	75.76	32	100	75.76
Peimeni [meat-filled dumplings], frozen	42	90	68.18	42	90	68.18
Boiled sausage, Grade I	115	17	12.88	115	17	12.88
Salami, Grade I	112	20	15.15	113	19	14.39
Live fish	26	106	80.30	37	95	71.97
Mackerel, quick-frozen, refrigerated, unsegmented	9	123	93.18	9	123	93.18
Fish filet (mackerel)	3	129	97.73	3	129	97.73
Smoked fish (mackerel)	27	105	79.55	27	105	79.55
Herring, salted and brined, ivasi	60	72	54.55	60	72	54.55
Butter	121	11	8.33	123	9	6.82
Vegetable oil	74	58	43.94	88	44	33.33
Melted pork fat	30	102	77.27	33	99	75.00
Table margarine	92	40	30.30	93	39	29.55
Pasteurized milk, 1.5-3.5 percent fat	127	5	3.79	129	3	2.27
Fatty kefir	98	34	25.76	98	34	25.76
Sour cream	121	11	8.33	127	5	3.79
Cottage cheese	68	64	48.48	100	32	24.24
Low-fat cottage cheese	41	91	68.94	42	90	68.18
Powdered cow's milk	56	76	57.58	56	76	57.58
Hard rennet cheese (of the varieties Rossiyskiy, Poshekhonskiy, Kostromskoy, Yaroslavl'skiy, Gollandskiy, etc.)	95	37	28.03	96	36	27.27

Presence (Absence) of Goods in Cities as Registered on 10 November (Continued)

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
Pasteurized processed cheese (of the varieties Druzhba, Volna, Yantar, Leto)	53	79	59.85	53	79	59.85
Feta cheese	6	126	95.45	10	122	92.42
Canned fish, price per standard 350-gram can, natural, with oil added (mackerel, scad)	57	75	56.82	57	75	56.82
Canned fish, price per standard 350-gram can, salmon in tomato sauce	17	115	87.12	17	115	87.12
Canned tomato puree and paste	56	76	57.58	57	75	56.82
Canned fruit for children	60	72	54.55	60	72	54.55
Chicken eggs (price per 10)	120	12	9.09	126	6	4.55
Granulated sugar	108	24	18.18	110	22	16.67
Ordinary cookies (of the variety Apelsinovoye, Privet, etc.)	104	28	21.21	104	28	21.21
Spice cake, bulk	107	25	18.94	108	24	18.18
Caramel candy, wrapped	63	69	52.27	63	69	52.27
Bohea black tea, highest quality	90	42	31.82	90	42	31.82
Salt	122	10	7.58	122	10	7.58
Rye flour	11	121	91.67	11	121	91.67
Highest grade wheat flour	100	32	24.24	101	31	23.48
Rye bread	31	101	76.52	31	101	76.52
Rye-wheat bread	74	58	43.94	74	58	43.94
Wheat bread from entire-wheat flour	1	131	99.24	1	131	99.24
Wheat bread from highest grade flour	54	78	59.09	54	78	59.09
Wheat bread from Grade I and Grade II flour	92	40	30.30	92	40	30.30
Rolls and buns from highest grade wheat flour, price per 500 grams	101	31	23.48	101	31	23.48
Rolls and buns from Grade I wheat flour, price per 500 grams	42	90	68.18	42	90	68.18
Rolls and buns from Grade II wheat flour, price per 500 grams	1	131	99.24	1	131	99.24
Pretzels, Grade I wheat flour	68	64	48.48	68	64	48.48
Rusks, Grade I wheat flour	66	66	50.00	66	66	50.00
Milled and polished rice	90	42	31.82	90	42	31.82
Semolina	81	51	38.64	81	51	38.64
Milled millet	53	79	59.85	53	79	59.85
Unground buckwheat	51	81	61.36	51	81	61.36

Presence (Absence) of Goods in Cities as Registered on 10 November (Continued)

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
Gerkules oatmeal	30	102	77.27	30	102	77.27
Ground split peas	19	113	85.61	19	113	85.61
Macaroni, ordinary and fancy, various styles of cut (long and short), made from highest grade wheat flour	58	74	56.06	59	73	55.30
Macaroni, ordinary and fancy, various styles of cut (long and short), made from Grade I wheat flour	7	125	94.70	7	125	94.70
Noodles, made from highest grade wheat flour	57	75	56.82	57	75	56.82
Vermicelli, made from highest grade wheat flour	115	17	12.88	115	17	12.88
Elbow macaroni, all varieties, from highest grade wheat flour	80	52	39.39	81	51	38.64
80-proof vodka, price per liter	116	16	12.12	118	14	10.61
Mayonnaise	66	66	50.00	67	65	49.24
Potatoes	124	8	6.06	128	4	3.03
Fresh green-head cabbage	120	12	9.09	123	9	6.82
Yellow onions	130	2	1.52	131	1	0.76
Garlic	36	96	72.73	104	28	21.21
Red beets	117	15	11.36	122	10	7.58
Carrots	117	15	11.36	126	6	4.55
Apples	100	32	24.24	127	5	3.79
Tobacco products, price per pack of papirosy cigarettes	70	62	46.97	71	61	46.21
Tobacco products, price per pack of filter cigarettes	116	16	12.12	118	14	10.61
Matches	121	11	8.33	124	8	6.06

Average Prices for Food Products in the Russian Federation (Retail Trade)

Representative products	10/20/92	10/27/92	11/03/92	11/10/92
Beef, Category I	124.99	126.16	143.66	151.02
Pork	140.10	152.40	162.13	165.66
Meat patties (per 10)	104.94	115.73	111.46	111.43
Pelmeni [meat-filled dumplings], frozen	95.57	97.50	106.74	109.54
Boiled sausage, Grade I	188.56	195.55	207.60	219.70
Salami, Grade I	292.74	303.50	310.83	337.62
Live fish	62.33	62.58	63.74	73.48
Mackerel, quick-frozen, refrigerated, unsegmented	57.89	61.86	63.87	74.39
Fish filet (mackerel)	86.45	101.80	89.97	112.01
Smoked fish (mackerel)	166.11	170.25	174.18	184.01
Herring, salted and brined, ivasi	116.60	133.10	137.06	153.31
Butter	240.90	250.73	286.31	298.41

Average Prices for Food Products in the Russian Federation (Retail Trade) (Continued)

Vegetable oil	89.04	102.88	111.16	130.42
Melted pork fat	101.61	108.45	118.50	114.58
Table margarine	105.49	108.89	125.14	131.45
Pasteurized milk, 1.5-3.5 percent fat	13.42	13.60	14.96	15.29
Fatty kefir	14.75	15.07	16.08	16.35
Sour cream	83.57	86.44	94.06	100.47
Cottage cheese	68.49	70.44	77.78	78.00
Low-fat cottage cheese	32.27	35.66	38.09	40.42
Powdered cow's milk	122.17	126.69	132.06	136.35
Hard rennet cheese (of the varieties Rossiyskiy, Poshekhonskiy, Kostromskoy, Yaroslavskiy, Gollandskiy, etc.)	189.96	211.39	225.02	243.46
Pasteurized processed cheese (of the varieties Druzhba, Volna, Yantar, Leto)	170.09	168.66	174.10	187.98
Feta cheese	113.05	133.27	129.78	141.30
Canned fish, price per standard 350-gram can, natural, with oil added (mackerel, scad)	53.46	58.20	58.52	62.19
Canned fish, price per standard 350-gram can, salmon in tomato sauce	66.21	73.54	77.79	87.92
Canned tomato puree and paste	74.09	84.20	90.70	95.32
Canned fruit for children	88.87	103.46	123.23	117.94
Chicken eggs (price per 10)	46.92	52.20	55.46	59.29
Granulated sugar	87.05	91.97	96.13	103.49
Ordinary cookies (of the variety Apelsinovoye, Privet, etc.)	101.15	107.83	110.59	118.05
Spice cake, bulk	85.01	90.05	95.12	100.71
Caramel candy, wrapped	162.16	184.12	191.68	211.21
Bohea black tea, highest quality	538.16	636.07	667.77	716.22
Salt	7.51	7.70	8.09	8.59
Rye flour	11.03	13.99	15.20	22.05
Highest grade wheat flour	34.55	35.83	38.25	38.61
Rye bread	19.61	18.91	18.99	19.96
Rye-wheat bread	20.81	21.61	22.17	22.19
Wheat bread from all-wheat flour	5.89	8.07	8.19	5.00
Wheat bread from highest grade flour	32.55	34.12	35.21	35.64
Wheat bread from Grade I and Grade II flour	23.61	24.47	27.01	26.31
Rolls and buns from highest grade wheat flour, price per 500 grams	20.86	22.26	22.59	23.41
Rolls and buns from Grade I wheat flour, price per 500 grams	16.18	18.42	17.44	18.98
Rolls and buns from Grade II wheat flour, price per 500 grams	28.00	30.00	30.00	30.00
Pretzels, Grade I wheat flour	64.83	70.85	72.79	78.35
Rusk, Grade I wheat flour	73.26	77.43	85.96	91.70
Milled and polished rice	42.49	47.89	52.16	56.06
Semolina	31.95	32.61	34.57	33.15
Milled millet	23.34	29.09	33.76	36.12
Unmilled buckwheat	76.24	80.82	80.89	86.28
Gerkules oatmeal	40.34	43.39	43.82	49.97

Average Prices for Food Products in the Russian Federation (Retail Trade) (Continued)

Ground split peas	21.69	24.37	25.72	30.40
Macaroni, regular and fancy, various styles of cut (long and short), made from highest grade wheat flour	59.23	64.67	70.49	71.16
Macaroni, regular and fancy, various styles of cut (long and short), made from Grade I wheat flour	31.42	40.02	44.02	47.28
Noodles, made from highest grade wheat flour	46.40	49.97	49.91	52.04
Vermicelli, made from highest grade wheat flour	47.43	50.77	53.44	55.14
Elbow macaroni, all varieties, from highest grade wheat flour	40.80	47.50	51.41	54.70
80-proof vodka, price per liter	351.75	378.72	391.77	408.05
Mayonnaise	119.22	142.85	155.92	172.27
Potatoes	23.58	23.40	23.77	23.75
Fresh green-head cabbage	20.63	21.21	21.99	22.82
Yellow onions	27.17	28.85	29.96	30.50
Garlic	182.28	194.46	213.90	234.28
Red beets	24.05	25.62	27.44	27.33
Carrots	27.72	30.13	30.35	31.28
Apples	49.44	55.03	62.66	65.93
Tobacco products, price per pack of papirosy cigarettes	28.37	31.71	33.61	33.62
Tobacco products, price per pack of filter cigarettes	59.89	68.45	69.28	74.54
Matches	1.42	1.46	1.52	1.45

Note: The commodity price is per kilogram; meat cutlets and eggs—for 10; milk, kefir, and vodka—per liter;

canned fish products per standard can; tobacco items and matches—per pack.

Average Prices for Food Products in the Russian Federation (City Market)

Representative products	10/20/92	10/27/92	11/03/92	11/10/92
Beef, Category I	175.39	187.08	197.11	213.62
Pork	199.64	205.14	222.50	244.43
Pelmeni (meat-filled dumplings), frozen	133.96	140.47	169.43	187.18
Boiled sausage, Grade I	236.04	252.23	253.57	284.72
Salami, Grade I	364.14	374.66	376.55	406.47
Live fish	55.04	57.48	65.14	86.08
Herring, salted and brined, ivasi				
Butter	276.62	291.68	332.16	359.76
Vegetable oil	137.62	137.93	145.07	158.02
Melted pork fat	117.48	142.98	133.33	139.63
Table margarine	142.23	155.77	174.36	165.81
Pasteurized milk, 1.5-3.5 percent fat	24.22	26.53	29.70	33.34
Sour cream	223.43	254.21	277.13	302.90
Cottage cheese	108.14	126.51	146.35	169.42
Low-fat cottage cheese	49.77	54.00	55.09	61.24
Powdered cow's milk	120.00	150.00	150.00	
Hard rennet cheese (of the varieties Rossiyskiy, Poshekhonskiy, Kostromskoy, Yaroslavskiy, Gollandskiy, etc.)	396.25	399.72	451.95	499.14

Average Prices for Food Products in the Russian Federation (City Market) (Continued)

Pasteurized processed cheese (of the varieties Druzhba, Volna, Yantar, Leto)	190.00	235.54	245.54	290.00
Feta cheese	160.87	214.40	222.73	229.22
Canned fish, price per standard 350-gram can, natural, with oil added (mackerel, scad)	63.29	63.82	67.92	70.00
Canned fish, price per standard 350-gram can, salmon in tomato sauce	71.90	83.07	94.79	97.76
Canned tomato puree and paste	95.00	150.00	150.00	114.00
Canned fruit for children	196.39	215.82	215.82	211.54
Chicken eggs (price per 10)	61.47	67.42	68.72	81.01
Granulated sugar	116.70	125.52	133.85	141.13
Ordinary cookies (of the variety Apelsino-voye, Privet, etc.)	140.51	148.62	156.63	187.47
Spice cake, bulk	126.80	127.08	129.50	168.17
Caramel candy, wrapped	215.34	223.39	233.17	236.84
Bohea black tea, highest quality	810.86	946.87	946.98	1,131.33
Salt	7.00	7.00		
Highest grade wheat flour	43.60	41.00	39.75	38.00
Wheat bread from highest grade flour				
Pretzels, Grade I wheat flour				
Milled and polished rice	57.50	58.70	58.84	64.17
Semolina	40.91	41.94	50.00	44.24
Milled millet	40.00	41.82	53.22	60.00
Unmilled buckwheat	83.58	84.23	87.78	90.59
Gerkules oatmeal	53.20	53.20	55.40	58.60
Ground split peas				
Macaroni, regular and fancy, various styles of cut (long and short), made from highest grade wheat flour	83.85	87.45	89.05	96.82
Vermicelli, made from highest grade wheat flour	80.00	87.50	80.00	85.71
Elbow macaroni, all varieties, from highest grade wheat flour	95.26	100.00	100.00	100.00
80-proof vodka, price per liter	433.85	459.15	482.07	515.36
Mayonnaise	179.75	200.97	168.11	180.16
Potatoes	18.44	20.17	20.68	23.35
Fresh green-head cabbage	19.02	19.55	20.73	21.62
Yellow onions	32.71	35.93	35.56	34.46
Garlic	174.57	192.48	191.01	223.55
Red beets	33.22	33.38	37.03	39.59
Carrots	28.39	31.80	31.09	34.29
Apples	49.04	54.69	62.49	73.66
Tobacco products, price per pack of papirosy cigarettes	30.50	32.78	34.10	34.46
Tobacco products, price per pack of filter cigarettes	67.96	70.95	73.35	76.44
Matches	2.04	2.04	2.88	2.62

Note: The commodity price is per kilogram; meat cutlets and eggs—for 10; milk, kefir, and vodka—per liter;

canned fish products per standard can; tobacco items and matches—per pack.

Cities With Maximum and Minimum Prices (As of 11/10/92) (Taking City Market Prices Into Account, With Rate of Increase (+) or Decrease (-), as a Percentage of 11/03/92)

City	Minimum price per product unit (rubles, kopeks)	Change, Percentage	City	Maximum price per product unit (rubles, kopeks)	Change, Percentage
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(food products)

Category I beef: Average Price for the Russian Federation—R183.27

Norilsk	85.00		Komsomolsk-na-Amure	350.00	66.01
Ulyanovsk	99.84	-18.81	Chelyabinsk	270.00	13.65
Chistopol	100.00	0.00	Magadan	267.81	-1.72
Salekhard	106.40	0.00	Vladivostok	262.97	10.83
Nevinnomyssk	110.00	-21.43	Yuzhno-Sakhalinsk	255.77	-1.63
Cherkessk	112.67	13.89	Petropavlovsk-Kamchatskiy	251.45	13.99
Groznyy	114.00	-5.00	Khabarovsk	242.83	-8.05
Kirovo-Chepetsk	115.00	-1.02	Tolyatti	240.00	22.03
Bryansk	116.05	0.68	Ivanovo	236.93	-8.05
Elista	120.00	7.69	Shuya	236.27	7.40

Grade I cooked sausage: Average Price for the Russian Federation—R219.99

Norilsk	90.00	0.00	Novyy Urengoy	500.00	4.17
Kirovo-Chepetsk	128.67	-5.39	Magadan	486.97	31.61
Kirov	130.00	0.00	Vladivostok	464.00	
Orel	141.00	0.00	Yuzhno-Sakhalinsk	435.00	2.03
Kaliningrad	142.00	1.43	Surgut	363.00	16.35
Orsk	145.00	0.00	Tayshet	340.00	70.00
Ulan-Ude	148.80	5.53	Kopeysk	338.00	22.91
Shakhty	152.00	-22.67	Chita	325.00	12.07
Yelets	154.00	11.11	Shuya	313.00	13.82
Smolensk	155.00	33.56	Arkhangelsk	311.00	5.30

Grade I salami: Average Price for the Russian Federation—R340.22

Sterlitamak	183.00	-26.51	Magadan	791.75	-0.36
Kirov	185.00	0.00	Novyy Urengoy	752.00	39.26
Chistopol	196.75	-2.98	Yakutsk	700.00	-6.46
Kirovo-Chepetsk	215.00	0.00	Vorkuta	680.00	163.14
Penza	221.00	-10.71	Yuzhno-Sakhalinsk	600.00	-6.83
Ulyanovsk	228.00	-9.03	Komsomolsk-na-Amure	530.00	34.52
Biysk	232.00	-4.62	Vladivostok	528.00	0.00
Salekhard	232.00	0.00	Irkutsk	503.00	
Ishimbay	234.00	0.00	Apatity	450.00	7.14
Orel	236.29	18.80	Taganrog	438.00	0.79

Butter: Average Price for the Russian Federation—R301.72

Ulyanovsk	81.53	4.53	Blagoveshchensk	557.61	-0.01
Norilsk	150.00	0.00	Biysk	498.21	72.09
Naberezhnyye Chelny	160.00	0.00	Berdsk	490.00	69.76
Chistopol	160.00	0.00	Vorkuta	450.00	0.00
Kazan	160.33	-3.80	Magadan	449.18	16.76

Cities With Maximum and Minimum Prices (As of 11/10/92) (Taking City Market Prices Into Account, With Rate of Increase (+) or Decrease (-), as a Percentage of 11/03/92) (Continued)

City	Minimum price per product unit (rubles, kopeks)	Change, Percentage	City	Maximum price per product unit (rubles, kopeks)	Change, Percentage
Orel	180.00	-0.10	Birobidzhan	433.03	6.96
Severodvinsk	200.00	-20.00	Krasnoyarsk	428.33	13.45
Yoshkar-Ola	203.34	1.26	Abakan	400.00	49.81
Arkhangelsk	213.59	10.31	Irkutsk	400.00	45.45
Neftekamsk	223.23	-0.34	Nizhniy Novgorod	400.00	

Vegetable oil: Average Price for the Russian Federation—R137.66

Shuya	47.30	18.25	Komsomolsk-na-Amure	415.00	-13.54
Ulyanovsk	50.00	0.00	Blagoveshchensk	302.67	1.23
Naberezhnyye Chelny	50.00	0.00	Novosibirsk	300.00	66.67
Chistopol	50.00	0.00	Kaliningrad	300.00	0.00
Yuzhno-Sakhalinsk	55.00	0.00	Rybinsk	290.00	
Biysk	60.00	0.00	Vorkuta	260.00	8.33
Norilsk	60.00	0.00	Yoshkar-Ola	230.00	
Divnogorsk	71.00	0.00	Arkhangelsk	210.00	34.88
Armavir	85.50	7.56	Orenburg	200.00	
Tuapse	87.61	0.03	Groznyy	200.00	

Pasteurized milk, 1.5-3.5-percent fat: Average Price for the Russian Federation—R15.62

Ulyanovsk	2.00	-1.48	Vladivostok	75.00	102.54
Tyumen	2.38	-0.42	Murmansk	38.76	12.09
Novyy Oskol	4.24	-1.62	Chelyabinsk	32.00	6.00
Naberezhnyye Chelny	5.00	0.00	Yuzhno-Sakhalinsk	32.00	-10.31
Chistopol	5.00	0.00	Severodvinsk	32.00	0.00
Kazan	5.17	-13.69	Blagoveshchensk	32.00	0.03
Orel	5.18	-0.58	Elektrostal	31.00	3.33
Norilsk	6.00	0.00	Makhachkala	30.00	0.00
Kyzyl	6.00	50.00	Groznyy	30.00	16.41
Volgodonsk	6.41	-1.08	Orekhovo-Zuyevo	30.00	0.00

Sour cream: Average Price for the Russian Federation—R121.03

Norilsk	36.00	0.00	Yuzhno-Sakhalinsk	368.50	195.39
Chistopol	40.00	0.00	Petropavlovsk-Kamchatskiy	332.00	1.97
Ulyanovsk	42.48	-0.21	Makhachkala	300.00	0.00
Kursk	47.11	0.53	St. Petersburg	255.77	25.13
Kazan	53.41	-3.35	Groznyy	250.00	0.00
Elista	55.00	0.00	Krasnoyarsk	250.00	45.01
Neftekamsk	60.00	0.00	Angarsk	220.13	4.23
Cheboksary	61.00	12.96	Orekhovo-Zuyevo	220.00	18.28
Novocheboksarsk	61.00	12.96	Astrakhan	220.00	-12.00
Rubtsovsk	62.00	0.00	Ishimbay	200.00	77.42

Hard rennet cheese (of the variety Poshekhonskiy, Rossiyskiy, Kostromskoy, Yaroslavskiy, Gollandskiy, etc.): Average Price for the Russian Federation—R249.93

Cities With Maximum and Minimum Prices (As of 11/10/92) (Taking City Market Prices Into Account, With Rate of Increase (+) or Decrease (-), as a Percentage of 11/03/92) (Continued)

City	Minimum price per product unit (rubles, kopeks)	Change, Percentage	City	Maximum price per product unit (rubles, kopeks)	Change, Percentage
Ulyanovsk	128.71	7.11	Magadan	528.57	11.04
Orel	130.00	-10.00	Yakutsk	450.00	0.71
Yelets	144.00	0.00	Abakan	390.00	85.71
Kazan	144.00	0.00	Petropavlovsk-Kam-chatskiy	383.33	0.00
Naberezhnyye Chelny	144.00		Groznyy	360.00	2.86
Biysk	150.00	14.94	St. Petersburg	334.84	8.33
Norilsk	150.00	-6.25	Yekaterinburg	309.69	19.11
Ufa	162.86	10.04	Ulan-Ude	300.00	0.00
Smolensk	166.00	2.15	Novyy Urengoy	300.00	0.00
Neftekamsk	172.00	0.00	Surgut	300.00	12.78

Chicken eggs—price for 10: Average Price for the Russian Federation—R60.04

Ulyanovsk	21.82	-14.13	Vladivostok	180.00	63.64
Ufa	32.80	1.36	Petropavlovsk-Kam-chatskiy	141.24	0.17
Ishimbay	33.00	-0.57	Magadan	135.00	5.58
Sterlitamak	34.02	0.50	Nakhodka	100.00	0.00
Neftekamsk	35.00	0.00	Salekhard	96.00	0.00
Elista	35.00	0.00	St. Petersburg	95.67	7.70
Tyumen	36.00	12.50	Khabarovsk	93.00	49.88
Naberezhnyye Chelny	36.00	0.00	Blagoveshchensk	86.00	-0.23
Chistopol	36.00	0.00	Yuzhno-Sakhalinsk	84.00	13.51
Kirov	37.00	-1.78	Sovetsk	83.53	0.71

Granulated sugar: Average Price for the Russian Federation—R104.30

Kursk	20.50	0.00	Izhevsk	170.00	21.43
Ulyanovsk	37.13	2.20	St. Petersburg	169.27	-4.50
Maykop	43.44		Kirovo-Chepetsk	165.00	32.00
Orel	58.00	0.00	Novgorod	160.00	23.08
Norilsk	60.00	0.00	Salekhard	151.00	0.00
Kazan	60.00	0.00	Petrozavodsk	150.60	7.57
Naberezhnyye Chelny	60.00	0.00	Novomoskovsk	150.00	
Chistopol	62.00	3.33	Orehovo-Zuyevo	150.00	7.14
Dzerzhinsk	66.00	0.00	Yurga	150.00	0.00
Omsk	66.00	0.00	Severodvinsk	150.00	0.00

Rye-wheat bread: Average Price for the Russian Federation—R22.19

Ulyanovsk	4.71	0.00	Apatity	50.00	0.00
Norilsk	5.00	0.00	Vorkuta	37.50	0.00
Tyumen	5.56	0.00	Tayshet	34.10	0.00
Kamyshin	6.67	0.00	Kostroma	33.33	0.00
Taganrog	10.00	0.00	Kemerovo	33.33	0.00
Voronezh	10.53	0.00	Perm	31.71	8.34

Cities With Maximum and Minimum Prices (As of 11/10/92) (Taking City Market Prices Into Account, With Rate of Increase (+) or Decrease (-), as a Percentage of 11/03/92) (Continued)

City	Minimum price per product unit (rubles, kopeks)	Change, Percentage	City	Maximum price per product unit (rubles, kopeks)	Change, Percentage
Salekhard	11.76	0.00	Petropavlovsk-Kamchatskiy	31.11	0.00
Orel	12.50	0.00	Rybinsk	30.00	0.00
Ufa	13.04	0.00	Murmansk	30.00	0.00
Ishimbay	13.04	0.00	Shuya	28.89	23.83

Wheat bread made of first and second grade flour: Average Price for the Russian Federation—R26.31

Makhachkala	6.00	0.00	Angarsk	46.67	0.00
Tyumen	6.28	0.00	Yurga	44.29	10.72
Volgograd	8.11	0.00	Prokopyevsk	44.00	0.00
Kamyshin	8.11	0.00	Vladimir	44.00	0.00
Rostov-na-Donu	10.00	-6.28	Kostroma	43.08	0.00
Taganrog	10.00	0.00	Novokuznetsk	40.50	0.00
Shakhty	10.00	0.00	Miass	40.00	0.00
Nalchik	10.00	0.00	Sovetsk	40.00	0.00
Volgodonsk	10.67	0.00	Krasnoyarsk	40.00	0.00
Ulyanovsk	10.67	0.00	Nakhodka	39.00	

Milled millet: Average Price for the Russian Federation—R36.33

Tambov	8.00	0.00	St. Petersburg	63.67	20.13
Gornyyak	8.60	0.00	Smolensk	59.00	
Volgodonsk	9.00	0.00	Moscow	57.42	2.08
Vorkuta	9.30	0.00	Saransk	56.00	0.00
Elista	10.00	0.00	Tomsk	56.00	0.00
Orsk	11.50	0.00	Orel	55.00	0.00
Makhachkala	12.00	-7.69	Khabarovsk	53.26	6.65
Ulyanovsk	13.62	-5.94	Astrakhan	52.60	0.00
Rubtsovsk	14.00	0.00	Belgorod	51.33	2.66
Samara	14.00		Yekaterinburg	50.12	-4.91

Vermicelli from the highest grade of wheat: Average Price for the Russian Federation—R55.38

Naberezhnyye Chelny	16.00	0.00	Chistopol	111.00	0.00
Nalchik	24.00	0.00	Kazan	111.00	0.00
Lipetsk	25.00	0.00	Dzerzhinsk	110.00	
Yelets	25.00	0.00	Serov	99.57	21.98
Tambov	27.00	0.00	Samara	96.70	6.62
Belgorod	29.00		Kirovo-Chepetsk	92.00	15.00
Orel	29.09	177.05	Nizhniy Tagil	91.11	0.49
Novyy Oskol	30.00	0.00	Rubtsovsk	90.00	28.57
Yoshkar-Ola	30.00	-3.23	Biysk	90.00	0.00
Tver	31.13	-20.69	Barnaul	90.00	0.00

Potatoes: Average Price for the Russian Federation—R23.51

Ishimbay	5.61	0.36	Magadan	93.75	13.64
Orsk	7.33	2.09	Norilsk	60.00	0.00

Cities With Maximum and Minimum Prices (As of 11/10/92) (Taking City Market Prices Into Account, With Rate of Increase (+) or Decrease (-), as a Percentage of 11/03/92) (Continued)

City	Minimum price per product unit (rubles, kopeks)	Change, Percentage	City	Maximum price per product unit (rubles, kopeks)	Change, Percentage
Naberezhnyye Chelny	8.00	0.00	Petropavlovsk-Kamchatskiy	51.30	2.60
Chistopol	8.00	0.00	Yakutsk	45.71	-0.11
Sterlitamak	8.07	-2.30	Severodvinsk	45.00	-25.00
Neftekamsk	8.13	0.37	Novyy Urengoy	43.00	0.00
Rubtsovsk	8.27	0.00	Arkhangelsk	37.90	12.63
Orenburg	8.93	-5.70	Cherepovets	37.50	25.42
Gorno-Altaysk	9.00	-17.05	Apatity	36.00	0.00
Novyy Oskol	9.00	0.00	St. Petersburg	35.07	4.03

Fresh green-head cabbage: Average Price for the Russian Federation—R22.43

Saratov	8.17	-26.86	Magadan	94.44	
Ulyanovsk	8.36	-4.02	Petropavlovsk-Kamchatskiy	60.00	-14.29
Novocheboksarsk	9.00	-30.77	Irkutsk	51.67	30.25
Rubtsovsk	9.33	3.44	Yakutsk	50.00	0.00
Volgodonsk	9.55	2.14	Arkhangelsk	45.28	8.64
Kamyshin	10.00	-10.15	Apatity	45.00	0.00
Taganrog	10.00	0.00	Severodvinsk	45.00	0.00
Naberezhnyye Chelny	10.00	0.00	Vorkuta	41.73	6.26
Chistopol	10.00	0.00	Murmansk	40.00	14.29
Abakan	10.00	-32.25	Komsomolsk-na-Amure	40.00	1.88

Yellow onion: Average Price for the Russian Federation—R32.27

Taganrog	14.71	-0.34	Petropavlovsk-Kamchatskiy	89.17	4.91
Rubtsovsk	15.27	1.80	Yuzhno-Sakhalinsk	81.00	1.25
Izhevsk	16.26	-0.12	Norilsk	75.88	-8.42
Yoshkar-Ola	16.63	-9.03	Magadan	63.23	-17.31
Orsk	18.33	-26.68	Vladivostok	56.75	4.15
Tuapse	18.82	-0.58	Novyy Urengoy	56.00	0.00
Balakovo	19.00	2.32	Chita	55.00	10.00
Stavropol	19.47	8.17	Yakutsk	55.00	0.00
Volgograd	19.72	-0.40	Moscow	54.68	-11.26
Gornyyak	20.00	0.00	Petrozavodsk	45.60	4.97

Apples: Average Price for the Russian Federation—R70.94

Yelets	14.17	0.00	Petropavlovsk-Kamchatskiy	320.00	0.00
Tula	14.85	19.37	Magadan	253.90	-9.96
Orel	15.85	-8.91	Yakutsk	250.00	10.42
Ryazan	17.05	28.20	Nakhodka	216.67	14.04
Tambov	20.00	0.00	Abakan	175.00	29.63
Novomoskovsk	21.67	13.04	Komsomolsk-na-Amure	173.64	0.66
Smolensk	22.50	50.00	Vladivostok	163.64	2.36

Cities With Maximum and Minimum Prices (As of 11/10/92) (Taking City Market Prices Into Account, With Rate of Increase (+) or Decrease (-), as a Percentage of 11/03/92) (Continued)

City	Minimum price per product unit (rubles, kopeks)	Change, Percentage	City	Maximum price per product unit (rubles, kopeks)	Change, Percentage
Lipetsk	24.18	-2.93	Khabarovsk	156.36	43.63
Novocheboksarsk	25.00	0.00	Birobidzhan	151.81	14.65
Pskov	25.00	-44.44	Ishimbay	150.00	0.00

Tobacco items—price per pack: Average Price for the Russian Federation—R74.69

Norilsk	30.00	0.00	Surgut	230.00	0.00
Kostroma	32.52	-36.08	Shakhty	220.00	0.00
Volgodonsk	34.22	0.00	Murmansk	200.00	0.00
Yoshkar-Ola	40.50	28.16	Prokopyevsk	200.00	0.00
Novomoskovsk	41.11	-0.53	Novokuznetsk	190.00	0.00
Vologda	41.82	-17.30	Magadan	184.34	6.05
Serov	44.00	-32.31	Tyumen	180.00	0.00
Divnogorsk	45.00	0.00	Petropavlovsk-Kamchatskiy	180.00	0.00
Taganrog	45.00	0.00	Armavir	175.00	6.06
Rostov-na-Donu	43.36	-8.92	Syktvkar	160.60	0.00

(nonfood consumer goods)

Two-piece suit, wool blend: Average Price for the Russian Federation—R4,125.40

Novocheboksarsk	2,250.00	-4.66	Orenburg	10,000	0.00
Kemerovo	2,300.00	0.00	Norilsk	9,850.00	0.00
Rybinsk	2,375.00	15.01	Moscow	9,289.22	31.01
Perm	2,450.00	0.00	Novyy Urengoy	7,555.00	-21.30
Nizhniy Tagil	2,465.00	0.00	St. Petersburg	7,531.00	
Nevinnomyssk	2,500.00	0.00	Kaluga	7,350.00	2.08
Yurga	2,500.00	0.00	Krasnodar	7,264.68	16.66
Elista	2,525.00		Obninsk	7,225.00	-8.54
Neftekamsk	2,569.00	0.00	Ukhta	7,037.50	1.99
Kamyshin	2,600.00		Orehovo-Zuyevo	6,750.00	35.00

Women's dress, wool blend: Average Price for the Russian Federation—R1,086.93

Groznyy	385.00	0.00	Samara	3,700.00	0.00
Tayshet	406.25	0.00	Abakan	2,613.00	0.00
Astrakhan	422.50	0.00	Perm	2,210.00	0.00
Dzerzhinsk	450.00	0.00	Novyy Urengoy	1,950.00	5.41
Vorkuta	461.80		Moscow	1,830.11	0.00
Cherkessk	500.00	0.00	Omsk	1,665.00	0.00
Belgorod	526.00	0.00	Vologda	1,600.00	0.00
Saransk	562.00	-24.66	Rybinsk	1,560.00	56.00
Kamyshin	600.00	0.00	Shakhty	1,560.00	0.00
Syktvkar	635.40	0.00	Ufa	1,522.00	65.08

Men's socks, cotton: Average Price for the Russian Federation—R56.80

Naberezhnyye Chelny	26.00	0.00	Kemerovo	200.00	0.00
Nizhniy Tagil	31.00	0.00	Norilsk	175.00	0.00
Syktvkar	32.38	-2.56	Angarsk	150.00	50.00

Cities With Maximum and Minimum Prices (As of 11/10/92) (Taking City Market Prices Into Account, With Rate of Increase (+) or Decrease (-), as a Percentage of 11/03/92) (Continued)

City	Minimum price per product unit (rubles, kopeks)	Change, Percentage	City	Maximum price per product unit (rubles, kopeks)	Change, Percentage
Perm	32.50	0.00	Ukhta	122.50	13.95
Kazan	34.00	0.00	Serov	121.00	0.00
Novorossiysk	35.00	0.00	Neftekamsk	105.00	0.00
Shuya	35.00	2.94	Orenburg	100.00	0.00
Birobidzhan	36.00	0.50	Samara	100.00	0.00
Kaluga	36.00	-7.69	Rostov-na-Donu	96.00	-4.95
Saratov	36.00	-14.29	Tayshet	91.00	-9.00

Children's socks, cotton: Average Price for the Russian Federation—R25.00

Khabarovsk	13.00	-35.00	Tyumen	68.00	-9.33
Tambov	13.00	0.00	Orenburg	50.00	0.00
Apatity	13.50	0.00	Orehovo-Zuyevo	50.00	5.26
Kazan	14.00	0.00	Nizhniy Novgorod	48.33	0.00
Naberezhnyye Chelny	14.00	0.00	Angarsk	46.25	-2.63
Vorkuta	14.20	-20.63	Kyzyl	45.00	
Smolensk	14.25	1.79	Magadan	44.00	0.00
Orel	15.00	0.00	Irkutsk	41.50	0.00
Penza	15.00	0.00	Armavir	41.00	0.00
Taganrog	15.00	0.00	Tayshet	40.50	0.00

Men's low shoes, fashion, with natural leather sole: Average Price for the Russian Federation—R3,378.20

Naberezhnyye Chelny	750.00	0.00	Rubtsovsk	9,000.00	
Yuzhno-Sakhalinsk	870.00	14.47	Barnaul	7,700.00	0.00
Vladivostok	896.00	0.00	Shakhty	7,000.00	0.00
Birobidzhan	976.50	2.90	Ishimbay	6,833.00	18.83
Sovetsk	1,200.00	0.00	Magadan	6,000.00	0.00
Chelyabinsk	1,200.00	0.00	Kirovo-Chepetsk	6,000.00	9.09
Makhachkala	1,294.72	6.67	Yurga	6,000.00	0.00
Petrozavodsk	1,350.00	1.66	Krasnodar	5,714.29	0.00
Cherkessk	1,350.00	0.00	Yoshkar-Ola	5,400.00	17.39
Blagoveshchensk	1,432.67	0.00	Ryazan	5,400.00	35.00

Women's summer shoes, fashion, with high (or medium) heel, with natural leather sole or imitation leather: Average Price for the Russian Federation—R2,723.94

Voronezh	715.00	0.32	Yoshkar-Ola	5,000.00	215.06
Vorkuta	727.00	-82.69	Neftekamsk	5,000.00	42.86
Kirovo-Chepetsk	1,100.00	-52.17	Rybinsk	4,800.00	77.78
Balakovo	1,125.00	0.00	Ishimbay	4,600.00	46.59
Kaluga	1,250.00	-7.41	Gorno-Altaysk	4,500.00	
Groznyy	1,250.00	0.00	Prokopyevsk	4,500.00	
Cherkessk	1,256.00	0.00	Barnaul	4,500.00	0.00
Yekaterinburg	1,257.00	-1.26	Syzran	4,300.00	-20.37
Blagoveshchensk	1,300.00	-7.96	Arzamas	4,166.00	-12.29
Stavropol	1,409.09	3.33	Tambov	4,000.00	0.00

Cities With Maximum and Minimum Prices (As of 11/10/92) (Taking City Market Prices Into Account, With Rate of Increase (+) or Decrease (-), as a Percentage of 11/03/92) (Continued)

City	Minimum price per product unit (rubles, kopeks)	Change, Percentage	City	Maximum price per product unit (rubles, kopeks)	Change, Percentage
Color television, non-portable (screen diagonal 61 cm): Average Price for the Russian Federation—R44,351.91					
Astrakhan	18,000.00	0.00	Surgut	77,000.00	0.00
Krasnoyarsk	22,048.00	0.00	Ivanovo	58,666.67	-2.22
Makhachkala	24,570.00	14.28	Izhevsk	56,250.00	17.19
Orehovo-Zuyevo	25,000.00		Kurgan	55,600.00	17.44
Nakhodka	32,000.00	0.00	Rostov-na-Donu	55,000.00	37.50
Shuya	35,000.00		Orsk	55,000.00	0.00
Syzran	35,000.00		Abakan	53,500.00	
Shakhty	35,000.00	-12.50	Orel	52,800.00	
Ulyanovsk	35,000.00	-8.20	Tver	52,500.00	23.53
Dzerzhinsk	37,000.00	-7.50	Maykop	51,491.67	

Cost of Basic Food Product Selection (as of 11/10/92), Taking City Market Prices Into Account

City	Selection Cost (rubles, kopeks)
Magadan	1,348.82
Petropavlovsk-Kamchatskiy	1,204.91
Vladivostok	1,190.22
Murmansk	1,114.15
Komsomolsk-na-Amure	1,007.53
Yuzhno-Sakhalinsk	1,006.29
Chelyabinsk	979.30
Nakhodka	973.54
Novokuznetsk	966.82
Prokopyevsk	939.81
Blagoveshchensk	938.30
Khabarovsk	932.89
Perm	917.21
Cherepovets	908.10
Syktyvkar	907.84
Arkhangelsk	896.35
Saratov	894.02
Shakhty	893.41
Yakutsk	875.02
St. Petersburg	871.33
Kemerovo	854.21
Birobidzhan	850.52
Armavir	848.52
Tyumen	840.81
Ivanovo	840.79
Severodvinsk	833.08
Yaroslavl	811.49

Cost of Basic Food Product Selection (as of 11/10/92), Taking City Market Prices Into Account (Continued)

City	Selection Cost (rubles, kopeks)
Kaliningrad	806.79
Vorkuta	801.18
Novorossiysk	789.47
Syzran	777.71
Kurgan	775.46
Angarsk	771.60
Elektrostal	766.72
Moscow	759.09
Novosibirsk	758.45
Shuya	755.97
Irkutsk	747.25
Sovetsk	744.31
Tomsk	743.91
Ulan-Ude	742.82
Ukhta	739.39
Nizhniy Tagil	738.97
Krasnoyarsk	732.66
Izhevsk	727.02
Rybinsk	723.90
Petrozavodsk	722.46
Tula	721.97
Yurga	716.77
Novgorod	715.80
Smolensk	715.37
Yekaterinburg	715.03
Salekhard	713.04
Stavropol	710.83

**Cost of Basic Food Product Selection (as of 11/10/92),
Taking City Market Prices Into Account (Continued)**

City	Selection Cost (rubles, kopeks)
Chita	707.14
Vladimir	705.69
Arzamas	702.70
Miaas	697.62
Obninsk	695.28
Serov	692.82
Kaluga	691.35
Biysk	689.66
Kopeysk	688.60
Nizhniy Novgorod	686.70
Pskov	686.25
Groznyy	684.41
Tuapse	681.45
Makhachkala	673.70
Samara	664.04
Tayshet	657.32
Krasnodar	655.45
Vologda	654.40
Kirov	653.56
Kursk	651.69
Bryansk	649.51
Cherkessk	646.93
Divnogorsk	645.73
Dzerzhinsk	644.42
Tolyatti	642.93
Ryazan	639.49
Abakan	638.20
Orenburg	630.86
Novomoskovsk	630.04
Berdsk	629.08
Kostroma	628.04
Shebekino	624.97
Gorno-Altaysk	624.24
Cheboksary	621.03
Tver	620.03
Balakovo	619.48
Omsk	608.99
Rubtsovsk	607.90
Orsk	607.37
Barnaul	606.17
Kirovo-Chepetsk	605.93
Gornyyak	604.56
Vladikavkaz	599.53

**Cost of Basic Food Product Selection (as of 11/10/92),
Taking City Market Prices Into Account (Continued)**

City	Selection Cost (rubles, kopeks)
Nevinnomyssk	598.56
Maykop	598.53
Voronezh	597.62
Kyzyl	595.08
Lipetsk	594.89
Nalchik	591.64
Saransk	589.06
Elista	587.13
Penza	583.30
Novocheboksarsk	567.17
Belgorod	566.59
Novyy Oskol	562.24
Rostov-na-Donu	561.98
Neftekamsk	561.20
Ufa	560.36
Astrakhan	560.31
Ishimbay	557.71
Sterlitamak	543.98
Volgograd	541.93
Yoshkar-Ola	541.31
Kamyshin	527.70
Norilsk	524.57
Taganrog	515.39
Tambov	512.45
Volgodonsk	499.29
Kazan	492.29
Naberezhnyye Chelny	485.33
Yelets	484.50
Orel	481.16
Chistopol	474.43
Ulyanovsk	356.63
Russian Federation	699.15

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[Report by economists Valeriy Galitskiy, Aris Zakharov, and Aleksandr Frenkel, Moscow: "It Is Still a Long Way to Stabilization"]

[Text]

Finance

The total amount of profit generated in the national economy of Russia over nine months amounted to 2.6 trillion rubles [R], which is 11.7 times more than the same period last year.

Despite absolute growth, the total value of enterprises' income has in fact declined due to the effect of inflation, thus reducing their investment potential as well as their ability to deal with social problems. Enterprise taxes and other mandatory payments increased in the third quarter to 34.1 percent of income, while the share of resources they allocated for the development of production fell to 13.1 percent—16.0 percent in industry, 10.8 percent in construction, and 7.9 percent in the trade sector; the share of resources allocated for social development fell to 4.8 percent.

Most enterprises show profit in their business conduct, compensating for increased prices for capital and working assets by raising prices on their own output. As a result, the number of unprofitable enterprises, which had been on the increase since the beginning of the year, leveled out, and as a proportion of the total number of enterprises over the past three months amounted to 15-16 percent, including 3-4 percent in industry and 6-7 percent in construction. The bulk of unprofitable enterprises are concentrated in subsidized sectors, in particular among publishing houses (where their share amounts to 44 percent), consumer services establishments (46 percent), and housing and municipal services (37 percent).

Overall, the profitability level in industrial production remains high: 45 percent over January-September of 1992. At the same time, over the year profitability levels have declined considerably: While in the first quarter they amounted to 64 percent, in the third quarter—37 percent. In the fourth quarter, with the completion of reappraisal of capital assets as well as because of the impact of increasing prices for energy, the profitability level of industrial production is expected to decline considerably. Many enterprises will slide into a low-profit category, and the number of unprofitable ones will increase.

The total volume of payments owed by industrial enterprises and construction organizations to their suppliers for goods shipped and services rendered amounted to R2.1 trillion as of 1 November of this year, including R1.0 trillion in arrears (49 percent). Enterprises' financial resources cover slightly more than one-quarter of the total amount owed to suppliers. Enterprises in the wood-working and pulp and paper industry, chemical and petrochemical industry, ferrous metallurgy, and construction organizations are in a more difficult situation than others—their financial resources cover 13-20 percent of the amount owed to suppliers.

The situation is exacerbated by the fact that two-thirds of industrial and construction enterprises and organizations in turn are owed by consumers for the products delivered to them. The volume of this debt by the beginning of November exceeded R3 trillion, of which R1.6 trillion, or 53 percent, were arrears.

Given the large number of debtors, enterprises find it difficult to settle with suppliers. Of all industrial enterprises, 55.4 percent are in arrears with respect to their payments to suppliers, including 60.9 percent in light industry; 63.7 percent in nonferrous metallurgy; 69.0 percent in the construction materials industry; 63.0 percent in the glass and porcelain-stoneware industry; 67.5 percent in machine-building and metalworking; 72.9 percent in the chemical and petrochemical industry; 74.2 percent in ferrous metallurgy; and 77.5 percent in microbiological industry. In construction, the share of such enterprises is 56 percent.

With insufficient financial resources, enterprises are forced to resort to taking out loans, and at high interest rates. The share of short-term loans amounted to 83 percent in industry and 90 percent in construction.

Wholesale and Consumer Prices

Wholesale price increases slowed down considerably over the second quarter. The third quarter brought further deceleration of the rate of wholesale price increases with respect to industrial production. Average monthly price increases in July-September amounted to 15 percent. The rate of wholesale price increases in August (13 percent) was the lowest for the year.

A certain stabilization of prices in industry was the result of the changed situation in the industrial output market. While at the beginning of the year, because of the lack of significant restricting factors in forming free-floating wholesale prices, producers unreasonably sharply hiked prices for their products, in the second and third quarter prices for most varieties of products reached their limit.

The increase in energy prices (September of this year) triggered price increases in all sectors of the national economy in October. On average across industry wholesale prices rose by 27 percent as compared with September. Over the period since the presidential decree was issued, wholesale prices for oil tripled, those for coal rose by 22 percent, and for electric power—by 8 percent. Prices for gas changed insignificantly. In the end of October wholesale prices for oil (without contributions to the price regulation fund and excise taxes) amounted to R5,620 per tonne on average; for coal—R1,074; for electric power—11.1 kopeks per kilowatt-hour; and for gas—R206 per 1,000 cubic meters.

Wholesale prices for food products continued to rise, caused by higher prices for agricultural raw materials yielded by this year's harvest. As in September, price increases in the food processing industry in October considerably exceeded those in other sectors and amounted to 135 percent. Over two months prices in the sugar industry increased five-fold, in pasta production—2.7-fold, in the tea industry—more than three-fold, and in the confectionery and edible fats industry—by a factor of 1.5-1.4 [figure as published].

Overall, the wholesale price index for industry in January-October of this year was 1,811 percent as compared

with the corresponding period of last year. Food prices in October of this year rose by a factor of 13.4 as compared with December 1992. After a certain slowdown in price increases in July-August of this year, they almost doubled in September-November; prices for flour, eggs, and milk products rose by a factor of 2-2.5; for meat and fish products, fats, bread and bakery products, pasta, cereals and legumes, and sugar—by more than 70 percent.

As compared with September, prices for food at city markets rose in October by 17 percent (in September, the increase amounted to 1 percent); for milk products—by a factor of 1.2; for eggs—by 50 percent; for vegetable oil—by 44 percent; and for butter and fruit and vegetable products—by 18 percent. The gap between retail and city market prices remained significant at the end of November: with respect to milk, cottage cheese, and beets—by a factor of 1.5-2; sour cream—by a factor of 3.2; and beef and vegetable oil—by 25-35 percent.

Prices and fees for paid services in October rose by 30 percent as compared with September. Price increases took place across the entire range of paid services. The greatest increase occurred with respect to passenger transportation (by 43 percent), consumer services and health care (by 34 percent); fees for cultural, tourist and sightseeing, and housing and municipal services rose by more than 25 percent. Prices and fees for paid services continued to rise in November (26 percent over two weeks). The greatest increases took place in inner city transportation, laundry services, public baths and barber shops, and hotel accommodations.

Price Changes in November

Over the 1-24 November period food prices increased on average by 5-6 percent weekly, which more or less equaled the rate of increase in October. At city markets the rate of price increases was somewhat higher than that in retail trade.

Over the last week of November retail trade prices rose by 5-10 percent with respect to meat, salted herring, canned fish, cottage cheese, tea, salt, wheat bread made of grade I and II flour, rice, semolina, noodles, vodka, potatoes, cabbage, garlic, and apples.

With respect to a number of products prices remained at the previous week's level or even declined: low-fat cottage cheese, rye bread and certain varieties of bread bakery products, millet, and matches. As during the preceding period, prices at city markets remained considerably higher than those in retail trade.

Prices for nonfood products continued to rise. They rose to the greatest extent with respect to knitwear (7.5 percent) and footwear (5.4 percent). At the same time, prices for some consumer items remained practically at the preceding week's level. This includes first and foremost men's light overcoats, children's jackets, and some varieties of hosiery.

The Consumer Market

Trading practices in the Russian Federation are acquiring an increasingly free character; new physical and legal entities are entering the market. The distributive system of supplying the population with goods is gradually giving way to true trade; entrepreneurship is developing. The monopoly of wholesale enterprises on supplying retail trade with goods is weakening; it currently handles 54 percent of goods going to retail stores, as opposed to 68 percent a year ago. The share of state-owned establishments in retail trade turnover has declined from 75 percent (in January-October 1991) to 70 percent.

By 1 November, 13,100 retail trade enterprises had been privatized, or 7.7 percent of their total number, and 3,700 public catering enterprises (2.7 percent). In January-October privately owned trade establishments accounted for 6 percent of trade turnover. According to the data of a survey conducted by the Russian State Committee for Statistics, development of private entrepreneurship is being held back by the lack of economic incentives for business (in the opinion of 63 percent of entrepreneurs surveyed), insufficient start-up capital (47 percent), fear of bankruptcy (28 percent), lack of commercial work experience (26 percent), and deficiencies in the legislative base (13 percent).

It is estimated that over 11 months of this year state, cooperative, private, and other enterprises sold R2.8 trillion worth of goods (which amounted to a seven-fold increase in current prices as compared with the same period of last year, but a 36 percent reduction in physical volume).

In January-October, the population acquired approximately R329 billion worth of goods from private individuals on a free-trade basis. This amounts to 15 percent of the total turnover.

The current state of the consumer market in Russia is complex and in many respects contradictory. Although the stores gradually began to be filled with basic food products after the initial price increases, the supply became unstable by the end of the current year. The effect of the price factor on consumer demand diminished and the impact of irregular production began to manifest itself increasingly often.

Unlike the food sector, the impact of the price factor on consumer behavior remains strong. High prices are precisely the reason many varieties of clothing, knitwear, hosiery, and house slippers remain unsold. These reports are coming from St. Petersburg, Moscow, Ryazan, Tula, Kemerovo, Abakan, Khabarovsk, Yakutsk, and other cities.

In January-November of this year R270 billion worth of paid services were provided to the population, which constitutes an almost six-fold increase in current prices as compared with the corresponding period in 1991. The physical volume of services declined by 40 percent.

By the beginning of December of this year 8,100 consumer services enterprises had been privatized, or 6.5 percent of the total number. According to a sociological survey, the process of forming new market structures in the consumer services sphere is generally held back by the same factors that are at work in the trade sector, namely, the lack of favorable economic conditions (loans on preferential terms, tax preferences, etc.).

Wages and the Social Sphere

The average wage of employed persons in October of this year amounted to R8,853 and increased 12-fold as compared with the corresponding period of last year—by 20 percent as compared with September of this year. Over the month, wages rose by 22 percent and 13 percent, respectively, in the material production sector and the nonproduction sphere. Faster rising wages in the production sector are resulting in an increasingly greater gap between them and the labor remuneration in budget-financed organizations. While in January 1992 wages in industry exceeded those in education, culture, and arts by a factor of 1.7-2, in October the gap was a factor of 2.1-2.3.

As compared with last year, the quality of nutrition for most of the population noticeably worsened.

Consumption of Basic Food Products (January-September of 1992)

	Per Family Member, kg	As a Percentage of January-September of 1991
Meat and meat products	41.9	88
Milk and milk products	218.7	82
Eggs	185	104
Fish and fish products	8.7	81
Sugar and confectionery items	19.1	88
Vegetable oil and other fats	4.7	100
Potatoes	75.3	105
Vegetables and melons	61.9	93
Fruit and berries	17.6	70
Bread products	77.4	104

Over January-September the energy value of daily food consumption was 2,400 calories—a 5 percent decline as compared with the corresponding period of last year, including a 12-percent decline with respect to calories derived from animal products.

At the same time, the population is obliged to spend a considerably increased share of income on food, economizing in every way possible on other expenditures. The share of expenditures on food in a pensioner's budget has currently reached 80 percent; for the population as a whole it comprises on average one half of all consumer expenditures.

Purchases of footwear, knitwear, and hosiery declined by 40 percent, and of fabrics—by half. Sales of refrigerators have fallen by more than half, and of television sets and radios—by one-third. The number of customers in the consumer services sphere has declined, as has attendance at theaters, movie theaters, and other cultural establishments.

In October the monetary income of the population amounted to R758.1 billion, or about R5,100 per capita. At the same time, about one-third of the population had a per capita income at or below the minimum sustenance level (R2,600).

As compared with the corresponding period of 1991, in the first half of 1992 wage increases compensated for one half of the increases in prices; by October this ratio reached the level of 60 percent.

The housing problem is becoming increasingly more acute. Over 1991, 1.1 million families received housing, and as many more were put on waiting lists. As of the beginning of 1992, 10 million families—or one-fifth of the families in Russia—were on the waiting list for housing or improvement of their living conditions (of them, 1.3 million families have been on the list for more than 10 years). Among those on waiting lists were 444,000 families with many children and 616,500 young families, for whom state-provided housing is the only chance to improve their living conditions (their income is too low to enable them to buy or build their own housing).

At the same time, because of a sharp decline in the volume of housing construction, it is expected that 0.5 million fewer families will move into new quarters in 1992 than in 1991.

Industry

The results of the first three weeks of November show continuing strain in the functioning of industry. According to preliminary data, over the 11-month period production will decline by 19 percent as compared with last year. The greatest decline in January-November has been observed in the output of the machine-building and light industries.

In the fuels and energy sector, over the elapsed period of November the production of the main categories of fuels as converted to caloric equivalents was overall 7 percent lower than over the corresponding period of last year, including oil—17 percent lower, and coal—6 percent. The production of gas remains at the same level as November of last year.

As compared with the previous month, the average daily production of some fuels continued to increase in November: of gas—by 2 percent; of coal—by 3 percent; and electric power generation—by 11 percent, which is to a considerable extent due to the beginning of the fall-winter period; the decline in the average daily production of oil has been halted.

At the same time, the situation in the extraction sectors of the fuel and energy complex remains difficult. As of the beginning of November about 22,000 oil wells, or 15 percent of the utilization stock, have been idle.

Overall, according to preliminary data, the production of oil over 11 months will amount to 355 million tonnes (15 percent less than over the corresponding period of last year); of coal—309 million tonnes (4 percent less); of gas—583 billion cubic meters (0.6 percent less); and electric power generation—895 billion kilowatt-hours (5 percent less).

In ferrous metallurgy, the average daily production of rolled metal and pipe in November was lower than that over the corresponding period of last year.

It is estimated that the output of finished rolled metal fell by 8.1 million tonnes, or 16 percent, as compared with the same period of last year, and of steel pipe—by 2.4 million tonnes (24 percent), which is to a considerable extent the result of diminished demand due to investment activities and to defense industry conversion currently underway. With respect to more than half of the items, the average daily production dropped as compared with October level.

An especially difficult situation exists in machine-tool building—the sector that to a considerable extent determines the technical level of industrial production. Reduced budget appropriations, lack of their own financial resources resulting from a devaluation of amortization funds due to inflation, and the high cost of credit have all led to a sharp decline in investment activity and, as a result, to diminished demand for equipment. It is estimated that in November the production of machine tools and drop forges will amount to only 55-68 percent of the level of the corresponding period of last year.

The production of chemical insecticides and pesticides in November will amount to only 60 percent of the level of last November; overall over 11 months their production will decline by more than 20,000 tonnes (26 percent). At the same time, as compared with last year, prices for chemical insecticides and pesticides, as well as for mineral fertilizers, have increased 17-20-fold since the beginning of year.

The volume of raw materials for the production of consumer goods has declined. In addition to shortages of natural raw materials (cotton, flax, and wool), the situation is exacerbated by the decline in production and shipments of chemical fibers and threads. Their average daily production in November dropped to the level of 980 tonnes, which is one-quarter less than November of last year.

The operation of enterprises in the timber, wood-working, and pulp and paper industries has been unstable for a long period of time. Although with respect to most varieties of this sector's output the average daily production in November was higher than that in

October, the level of last November has not been reached in the production of any of the varieties.

The production decline in the construction materials industry that has been present since the beginning of the current year due to slackened demand for the industry's output stemming from cutbacks in the volume of capital construction continued in November. The average daily production of the most important varieties of construction materials was 9-12 percent below that of the preceding month.

With the expansion of individual housing construction, the regions are facing the need to expand the production of locally produced construction materials. Nevertheless, the output of wall units, natural stone blocks, non-ore materials—including road-metal and gravel—will have declined by 20-37 percent since the beginning of the year, and of construction brick—by 1.1 billion units (6 percent).

In the food processing industry, the average daily production of some varieties of food products has been on the increase since September, which is associated with the beginning of processing of the 1992 harvest. The exception is whole-milk products, whose production has been declining from month to month. As a whole, over 11 months the production of whole-milk products will amount to only one half of last year's level.

The output of meat, margarine, and tea dropped by 6-8 percent as compared with the corresponding period in October; of cheese, canned milk products and canned fruit and vegetables—by 28-31 percent; and of salt—by more than one half.

Agriculture

Agrarian reform is gathering speed in the Russian Federation. Within its framework, structural changes are taking place in the countryside. The land redistribution fund has been set up, from which land is allocated to individual farmers, rural residents' auxiliary plots are expanded, and gardening and fruit-growing lots are allocated to city dwellers.

The expansion of personal auxiliary plots—which already account for 72 percent of the total volume of potatoes produced in the Federation, 46 percent of vegetables, 65 percent of fruit and berries, 30 percent of meat, 26 percent of milk, and 22 percent of eggs—is one of the most important avenues for replenishment of food resources.

After the completion of field work, reregistration of kolkhozes resumed. By this time 10,600 entities have gone through the process, or 42 percent of the total. The process of reorganization of kolkhozes and sovkhoses resulted in the establishment of more than 300 unrestricted joint-stock companies, 3,800 limited liability partnerships and mixed-ownership partnerships, 608 agricultural cooperatives, and 681 private farm associations. The collectives of 4,500 kolkhozes and sovkhoses

(43 percent of the number of those reregistered) made the decision to retain the current status of their enterprises.

By 1 November 1992 the total number of peasant (private) farms reached 161,700, with a total area of 6.8 million hectares of land (42 hectares per farm on average). It is estimated that in 1992 such farms will produce 2-2.5 percent of total agricultural output in Russia.

So far, however, the reform underway has not been able to improve the grave situation in the agrarian sector. While last year the volume of agricultural output fell by 5 percent, in 1992 the value of the agricultural gross product (in comparable prices) will decrease by an estimated 12 percent.

A difficult situation is emerging in animal husbandry. Among other factors, perceptibly higher procurement prices for grain and the higher cost of mixed fodder had an extremely negative effect on the production cost of animal husbandry output. Keeping in mind that prices for the sector's basic products are constrained by the consumers' ability to pay, animal husbandry—even

taking into account substantial state subsidies—often operates at a loss, which has led to shrinking production.

As of 1 November of this year farms had in stock 68 million tonnes of feed units of all types of fodder, which is 9 percent less than this time last year. As a result of the diminished herd, the fodder supply per standard head amounted to 14.0 quintals of feed units, as compared with 13.8 quintals last year; however, sustaining normal condition of cattle over the winter period requires no less than 22-24 quintals of feed units per head.

The trend toward a shrinking of the cattle herd in Russia that has manifested itself since 1987 has recently acquired a very pronounced character. It is estimated that by the end of 1992 the horned cattle herd will decline by 14 percent as compared with that as of 01/01/87; and the herd of pigs, sheep, and goats—by 19-21 percent.

Overall for the year it is expected that the production of meat at all categories of farms will decline from 14.5 million tonnes in live weight in 1991 to 12 million tonnes in 1992; of milk—from 52 to 43 million tonnes; and of eggs—from 47.1 to 41 billion units.

Average Prices for Food Products in the Russian Federation (Retail Trade)

Representative products	11/03/92	11/10/92	11/17/92	11/24/92
Beef, Category I	143.66	151.02	156.91	166.34
Pork	162.13	165.66	171.50	189.56
Meat patties (per 10)	111.46	111.43	126.11	131.11
Pelmeni [meat-filled dumplings], frozen	106.74	109.54	119.03	124.03
Boiled sausage, Grade I	207.60	219.70	231.64	242.02
Salami, Grade I	310.83	337.62	351.25	374.50
Live fish	63.74	73.48	80.83	83.75
Mackerel, quick-frozen, refrigerated, unsegmented	63.87	74.39	90.18	91.03
Fish filet (mackerel)	89.97	112.01	93.27	122.44
Smoked fish (mackerel)	174.18	184.01	203.98	205.69
Herring, salted and brined, ivasi	137.06	153.31	157.32	174.21
Butter	286.31	298.41	326.89	336.30
Vegetable oil	111.16	130.42	135.11	140.14
Melted pork fat	118.50	114.58	125.17	136.42
Table margarine	125.14	131.45	148.09	161.06
Pasteurized milk, 1.5-3.5 percent fat	14.96	15.29	16.99	17.40
Fatty kefir	16.08	16.35	18.93	19.34
Sour cream	94.06	100.47	111.61	115.72
Cottage cheese	77.78	78.00	86.89	94.57
Low-fat cottage cheese	38.09	40.42	48.38	44.65
Powdered cow's milk	132.06	136.35	143.15	157.83
Hard rennet cheese (of the varieties Poshekhonskiy, Rossiyskiy, Kostromskoy, Yaroslavskiy, Gollandskiy, etc.)	225.02	243.46	265.56	289.86
Pasteurized processed cheese (of the varieties Druzhba, Volna, Yantar, Leto)	174.10	187.98	194.95	197.74

Average Prices for Food Products in the Russian Federation (Retail Trade) (Continued)

Feta cheese	129.78	141.30	182.59	174.26
Canned fish, price per standard 350-gram can, natural, with oil added (mackerel, scad)	58.52	62.19	68.02	73.01
Canned fish, price per standard 350-gram can, salmon in tomato sauce	77.79	87.92	91.47	92.54
Canned tomato puree and paste	90.70	95.32	101.98	114.69
Canned fruit for babies	123.23	117.94	130.41	132.46
Chicken eggs (price per 10)	55.46	59.29	61.47	62.53
Granulated sugar	96.13	103.49	109.60	113.54
Ordinary cookies (of the variety Apelsinovo-voye, Privet, etc.)	110.59	118.05	123.33	128.51
Spice cake, bulk	95.12	100.71	104.65	108.31
Caramel candy, wrapped	191.68	211.21	214.78	247.95
Bohea black tea, highest quality	667.77	716.22	788.92	876.93
Salt	8.09	8.59	8.84	9.38
Rye flour	15.20	22.05	20.10	19.08
Highest grade wheat flour	38.25	38.61	40.21	42.62
Rye bread	18.99	19.96	21.25	21.02
Rye-wheat bread	22.17	22.19	23.58	23.08
Wheat bread from all-wheat flour	8.19	5.00	5.00	5.00
Wheat bread from highest grade flour	35.21	35.64	38.47	39.57
Wheat bread from Grade I and Grade II flour	27.01	26.31	26.71	28.43
Rolls and buns from highest grade wheat flour, price per 500 grams	22.59	23.41	23.54	23.39
Rolls and buns from Grade I wheat flour, price per 500 grams	17.44	18.98	19.94	19.78
Rolls and buns from Grade II wheat flour, price per 500 grams	30.00	30.00	30.00	30.00
Pretzels, Grade I wheat flour	72.79	78.35	79.11	79.65
Rusk, Grade I wheat flour	85.96	91.70	94.29	97.80
Milled and polished rice	52.16	56.06	63.71	68.57
Semolina	34.57	33.15	34.67	37.09
Milled millet	33.76	36.12	39.66	39.59
Unmilled buckwheat	80.89	86.28	92.85	93.38
Gerkuks oatmeal	43.82	49.97	56.87	71.77
Ground split peas	25.72	30.40	40.86	46.82
Macaroni, regular and fancy, various styles of cut (long and short), made from highest grade wheat flour	70.49	71.16	78.07	79.68
Macaroni, regular and fancy, various styles of cut (long and short), made from Grade I wheat flour	44.02	47.28	51.06	52.07
Noodles, made from highest grade wheat flour	49.91	52.04	60.23	63.65
Vermicelli, made from highest grade wheat flour	53.44	55.14	58.54	60.64
Elbow macaroni, all varieties, from highest grade wheat flour	51.41	54.70	58.94	60.97
80-proof vodka, price per liter	391.77	408.05	415.27	452.07
Mayonnaise	155.92	172.27	175.12	188.38

Average Prices for Food Products in the Russian Federation (Retail Trade) (Continued)

Potatoes	23.77	23.75	25.70	26.67
Fresh green-head cabbage	21.99	22.82	22.83	26.23
Yellow onions	29.96	30.50	31.63	32.01
Garlic	213.90	234.28	231.27	241.02
Red beets	27.44	27.33	27.71	28.76
Carrots	30.35	31.28	31.36	32.24
Apples	62.66	65.93	77.37	81.09
Tobacco products, price per pack of papirosy cigarettes	33.61	33.62	35.27	37.56
Tobacco products, price per pack of filter cigarettes	69.28	74.54	81.71	85.41
Matches	1.32	1.45	1.56	1.55

Note: The commodity price is per kilogram; meat cutlets and eggs—for 10; milk, kefir, and vodka—per liter; canned fish products per standard can; tobacco items and matches—per pack.

Average Prices for Food Products in the Russian Federation (City Markets)

Representative products	11/03/92	11/10/92	11/17/92	11/24/92
Beef, Category I	197.11	213.62	212.40	217.62
Pork	222.50	244.43	240.37	248.06
Pelmeni [meat-filled dumplings], frozen	169.43	187.18	200.12	205.03
Boiled sausage, Grade I	253.57	284.72	284.38	355.05
Salami, Grade I	376.55	406.47	408.59	456.06
Live fish	65.14	86.08	80.45	86.47
Herring, salted and brined, ivasi			260.00	
Butter	332.16	359.76	379.73	406.38
Vegetable oil	145.07	158.02	167.96	187.14
Melted pork fat	133.33	139.63	143.53	160.00
Table margarine	174.36	165.81	167.99	183.95
Pasteurized milk, 1.5-3.5 percent fat	29.70	33.34	36.07	37.53
Sour cream	277.13	302.90	326.36	375.87
Cottage cheese	146.35	169.42	189.77	211.14
Low-fat cottage cheese	55.09	61.24	41.20	58.08
Powdered cow's milk	150.00		125.00	160.00
Hard rennet cheese (of the varieties Poshek-honskiy, Rossiyskiy, Kostromskoy, Yaroslavskiy, Gollandskiy, etc.)	451.95	499.14	553.48	606.61
Pasteurized processed cheese (of the varieties Druzhba, Volna, Yantar, Leto)	245.54	290.00	290.00	290.00
Feta cheese	222.73	229.22	251.42	254.76
Canned fish, price per standard 350-gram can, natural, with oil added (mackerel, scad)	67.92	70.00	71.34	78.82
Canned fish, price per standard 350-gram can, salmon in tomato sauce	94.79	97.76	104.14	115.17
Canned tomato puree and paste	150.00	114.00	153.33	
Canned fruit for babies	215.82	211.54	211.54	211.54
Chicken eggs (price per 10)	68.72	81.01	81.51	78.12
Granulated sugar	133.85	141.13	149.28	151.40

Average Prices for Food Products in the Russian Federation (City Markets) (Continued)

Ordinary cookies (of the variety Apelsinovo-voye, Privet, etc.)	156.63	187.47	183.19	217.40
Caramel candy, wrapped	233.17	236.84	244.83	243.05
Spice cake, bulk	129.50	168.17	174.55	165.69
Bohea black tea, highest quality	946.98	1,131.33	1,190.06	1,204.35
Salt				
Highest grade wheat flour	39.75	38.00	41.57	44.71
Wheat bread from highest grade flour				40.00
Pretzels, Grade I wheat flour				
Milled and polished rice	58.84	64.17	78.39	85.34
Semolina	50.00	44.24	46.04	43.20
Milled millet	53.22	60.00	50.91	63.50
Unmilled buckwheat	87.78	90.59	101.37	102.83
Gerkules oatmeal	55.40	58.60	58.60	112.00
Ground split peas				
Macaroni, regular and fancy, various styles of cut (long and short), made from highest grade wheat flour	89.05	96.82	99.20	103.99
Vermicelli, made from highest grade wheat flour	80.00	85.71	80.00	94.00
Elbow macaroni, all varieties, from highest grade wheat flour	100.00	100.00	104.62	100.00
80-proof vodka, price per liter	482.07	515.36	576.21	565.66
Mayonnaise	168.11	180.16	185.74	206.71
Potatoes	20.68	23.35	26.22	29.17
Fresh green-head cabbage	20.73	21.62	23.88	25.06
Yellow onions	35.56	34.46	35.11	38.51
Garlic	191.01	223.55	223.87	246.22
Red beets	37.03	39.59	41.35	42.92
Carrots	31.09	34.29	36.56	37.21
Apples	62.49	73.66	77.45	92.36
Tobacco products, price per pack of papirosy cigarettes	34.10	34.46	35.35	37.24
Tobacco products, price per pack of filter cigarettes	73.35	76.44	89.38	83.54
Matches	2.88	2.62	3.00	2.47

Note: The commodity price is per kilogram; meat cutlets and eggs—for 10; milk, kefir, and vodka—per liter; canned fish products per standard can; tobacco items and matches—per pack.

Presence (Absence) of Goods in Cities as Registered on 24 November

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
	in retail trade			total		
Beef, Category 1	118	14	10.61	128	4	3.03
Pork	80	52	39.39	124	8	6.06
Meat patties (per 10)	48	84	63.64	48	84	63.64

Presence (Absence) of Goods in Cities as Registered on 24 November (Continued)

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
Pelmeni (meat-filled dumplings), frozen	60	72	54.55	60	72	54.55
Boiled sausage, Grade I	118	14	10.61	118	14	10.61
Salami, Grade I	115	17	12.88	115	17	12.88
Live fish	30	102	77.27	41	91	68.94
Mackerel, quick-frozen, refrigerated, unsegmented	9	123	93.18	9	123	93.18
Fish filet (mackerel)	6	126	95.45	6	126	95.45
Smoked fish (mackerel)	31	101	76.52	31	101	76.52
Herring, salted and brined, ivasi	69	63	47.73	69	63	47.73
Butter	113	19	14.39	119	13	9.85
Vegetable oil	86	46	34.85	97	35	26.52
Melted pork fat	27	105	79.55	28	104	78.79
Table margarine	92	40	30.30	93	39	29.55
Pasteurized milk, 1.5-3.5 percent fat	127	5	3.79	129	3	2.27
Fatty kefir	99	33	25.00	99	33	25.00
Sour cream	118	14	10.61	125	7	5.30
Cottage cheese	62	70	53.03	96	36	27.27
Low-fat cottage cheese	44	88	66.67	45	87	65.91
Powdered cow's milk	50	82	62.12	50	82	62.12
Hard rennet cheese (of the varieties Poshekhonskiy, Rossiyskiy, Kostromskoy, Yaroslavskiy, Gollandskiy, etc.)	103	29	21.97	103	29	21.97
Pasteurized processed cheese (of the varieties Druzhba, Volna, Yantar, Leto)	50	82	62.12	50	82	62.12
Feta cheese	5	127	96.21	8	124	93.94
Canned fish, price per standard 350-gram can, natural, with oil added (mackerel, scad)	58	74	56.06	58	74	56.06
Canned fish, price per standard 350-gram can, salmon in tomato sauce	20	112	84.85	20	112	84.85
Canned tomato puree and paste	63	69	52.27	63	69	52.27
Canned fruit for children	64	68	51.52	64	68	51.52
Chicken eggs (price per 10)	124	8	6.06	129	3	2.27
Granulated sugar	115	17	12.88	115	17	12.88
Ordinary cookies (of the variety Apelsinovoye, Privet, etc.)	114	18	13.64	114	18	13.64
Spice cake, bulk	109	23	17.42	109	23	17.42
Caramel candy, wrapped	63	69	52.27	63	69	52.27

Presence (Absence) of Goods in Cities as Registered on 24 November (Continued)

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
Bohea black tea, highest quality	96	36	27.27	98	34	25.76
Salt	117	15	11.36	117	15	11.36
Rye flour	10	122	92.42	10	122	92.42
Highest grade wheat flour	106	26	19.70	107	25	18.94
Rye bread	31	101	76.52	31	101	76.52
Rye-wheat bread	75	57	43.18	75	57	43.18
Wheat bread from entire-wheat flour	1	131	99.24	1	131	99.24
Wheat bread from highest grade flour	58	74	56.06	59	73	55.30
Wheat bread from Grade I and Grade II flour	98	34	25.76	98	34	25.76
Rolls and buns from highest grade wheat flour, price per 500 grams	105	27	20.45	105	27	20.45
Rolls and buns from Grade I wheat flour, price per 500 grams	44	88	66.67	44	88	66.67
Rolls and buns from Grade II wheat flour, price per 500 grams	1	131	99.24	1	131	99.24
Pretzels, Grade I wheat flour	71	61	46.21	71	61	46.21
Rusks, Grade I wheat flour	59	73	55.30	59	73	55.30
Milled and polished rice	97	35	26.52	98	34	25.76
Semolina	94	38	28.79	95	37	28.03
Milled millet	67	65	49.24	67	65	49.24
Unground buckwheat	54	78	59.09	54	78	59.09
Gerkules oatmeal	40	92	69.70	40	92	69.70
Ground split peas	26	106	80.30	26	106	80.30
Macaroni, ordinary and fancy, various styles of cut (long and short), made from highest grade wheat flour	63	69	52.27	63	69	52.27
Macaroni, ordinary and fancy, various styles of cut (long and short), made from Grade I wheat flour	10	122	92.42	10	122	92.42
Noodles, made from highest grade wheat flour	69	63	47.73	69	63	47.73
Vermicelli, made from highest grade wheat flour	115	17	12.88	115	17	12.88
Elbow macaroni, all varieties, from highest grade wheat flour	88	44	33.33	88	44	33.33
80-proof vodka, price per liter	112	20	15.15	112	20	15.15
Mayonnaise	60	72	54.55	62	70	53.03
Potatoes	124	8	6.06	128	4	3.03
Fresh green-head cabbage	117	15	11.36	121	11	8.33

Presence (Absence) of Goods in Cities as Registered on 24 November (Continued)

Product	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities	Number of Cities Where Item Was Available As of Survey Date	Number of Cities Where Item Was Not Available As of Survey Date	Cities Where Item Was Not Available As a Percentage of All Cities
Yellow onions	125	7	5.30	129	3	2.27
Garlic	40	92	69.70	108	24	18.18
Red beets	121	11	8.33	124	8	6.06
Carrots	119	13	9.85	124	8	6.06
Apples	65	67	50.76	70	62	46.97
Tobacco products, filter cigarettes	119	13	9.85	120	12	9.09
Matches	116	16	12.12	118	14	10.61

Cities With Minimum and Maximum Prices (As of 11/24/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/17/92

City	Minimum price per product unit (rubles, kopeks)	Rate in percentage	City	Maximum price per product unit (rubles, kopeks)	Rate in percentage
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Category I beef: Average Price for Russian Federation—R194.87

Ulyanovsk	81.66	-5.34	Surgut	400.00	
Norilsk	85.00	0.00	Komsomolsk-na-Amure	348.78	-0.35
Chistopol	102.00	2.00	Yuzhno-Sakhalinsk	328.00	24.49
Naberezhnyye Chelny	109.82	-19.79	Magadan	320.35	20.05
Cherkessk	114.50	0.44	Angarsk	288.05	3.77
Astrakhan	115.38	-17.30	Yakutsk	282.00	11.37
Groznyy	120.00	2.99	Chelyabinsk	273.75	5.09
Elista	125.00	-2.78	Irkutsk	268.88	8.01
Novocheboksarsk	126.00	0.00	Vladivostok	266.54	-2.51
Vladikavkaz	128.21	-0.74	Khabarovsk	258.28	-1.63

Grade I cooked sausage: Average Price for Russian Federation—R242.21

Norilsk	90.00	0.00	Magadan	519.00	-1.14
Ulan-Ude	133.67	-5.20	Kopeysk	400.00	6.38
Saransk	143.00	0.00	Salekhard	400.00	
Shakhty	152.00	0.00	Yuzhno-Sakhalinsk	380.00	2.33
Yelets	154.00	0.00	Tayshet	346.00	0.00
Cheboksary	155.58	5.74	Tyumen	342.00	6.21
Kirov	160.00	0.00	Komsomolsk-na-Amure	334.00	-0.60
Ulyanovsk	160.94	-32.09	Petropavlovsk-Kamchatskiy	320.00	5.96
Naberezhnyye Chelny	163.50	0.00	Omsk	319.75	13.79
Tula	165.00	-7.03	Orsk	315.00	27.53

Grade I salami: Average Price for Russian Federation—R376.62

Naberezhnyye Chelny	210.00		Magadan	795.00	-0.76
Novyy Oskol	214.00	0.00	Yuzhno-Sakhalinsk	770.00	37.50

Cities With Minimum and Maximum Prices (As of 11/24/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/17/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate in percentage	City	Maximum price per product unit (rubles, kopeks)	Rate in percentage
Chistopol	214.00	-8.90	Novyy Urengoy	752.00	0.00
Elista	215.00	0.00	Yakutsk	700.00	-0.57
Kirov	226.00	0.00	Taganrog	655.45	46.59
Smolensk	238.00	0.00	Salekhard	566.00	0.00
Brysk	243.00	4.74	Vladivostok	548.40	2.01
Penza	245.29	0.27	Surgut	525.00	
Ishimbay	246.00	0.00	Khabarovsk	513.25	17.03
Neftekamsk	247.00	0.00	Nakhodka	500.00	21.65

Butter: Average Price for Russian Federation—R339.82

Ulyanovsk	78.82	1.05	Krasnoyarsk	591.70	-10.33
Norilsk	150.00	0.00	Blagoveshchensk	558.41	-0.26
Naberezhnyye Chelny	160.00	0.00	Bryansk	556.00	0.00
Chistopol	160.00	0.00	Abakan	534.40	2.75
Kazan	160.89	0.11	Birobidzhan	518.81	9.84
Orel	201.75	0.42	Kaluga	515.75	9.35
Arkhangelsk	212.89	-7.66	Tomsk	505.00	
Murmansk	226.55	-17.98	Nizhniy Novgorod	499.73	-1.16
Ufa	229.91	0.10	Biysk	498.00	0.00
Neftekamsk	230.82	4.92	Berdsk	483.33	-1.36

Vegetable oil: Average Price for Russian Federation—R148.45

Ulyanovsk	50.00	0.00	Khabarovsk	405.71	153.57
Naberezhnyye Chelny	50.00	0.00	Birobidzhan	380.00	40.00
Chistopol	50.00	0.00	Komsomolsk-na-Amure	330.00	-20.48
Yuzhno-Sakhalinsk	55.00	0.00	Blagoveshchensk	302.67	0.00
Norilsk	60.00	0.00	Rybinsk	290.00	0.00
Belgorod	71.84	-15.36	Nizhniy Novgorod	286.00	
Rubtsovsk	75.00		Novosibirsk	280.00	
Armavir	88.33	0.57	Kurgan	243.00	35.00
Salekhard	90.00	0.00	Vorkuta	231.52	3.22
Neftekamsk	90.00	0.00	Vladimir	225.56	50.37

Pasteurized milk, 1.5-3.5-percent fat: Average Price for Russian Federation—R17.76

Ulyanovsk	2.00	0.00	Komsomolsk-na-Amure	100.00	233.33
Tyumen	2.76	22.67	Murmansk	52.00	-0.27
Novyy Oskol	4.21	-0.24	Orehovo-Zuyevo	50.00	19.05
Naberezhnyye Chelny	5.00	0.00	Nakhodka	47.57	16.97
Chistopol	5.00	0.00	Severodvinsk	42.00	31.25
Kazan	5.14	-3.75	Novorossiysk	40.57	30.49
Norilsk	6.00	0.00	Vladivostok	39.30	4.82
Volgodonsk	6.24	-3.55	Elektrostal	38.00	0.00

Cities With Minimum and Maximum Prices (As of 11/24/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/17/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate in percentage	City	Maximum price per product unit (rubles, kopeks)	Rate in percentage
Nalchik	8.00	-20.00	Stavropol	36.00	114.41
Vladikavkaz	8.00	0.00	Khabarovsk	34.42	-65.58

Sour cream: Average Price for Russian Federation—R142.34

Norilsk	36.00	0.00	Petropavlovsk-Kam-chatskiy	336.31	0.32
Naberezhnyye Chelny	40.00		St. Petersburg	300.23	19.71
Chistopol	40.00	0.00	Makhachkala	300.00	0.00
Ulyanovsk	40.22	25.65	Chelyabinsk	300.00	0.00
Kursk	49.37	13.39	Astrakhan	300.00	69.39
Elista	50.00		Groznyy	274.80	-15.45
Kazan	56.83	-3.58	Krasnoyarsk	265.88	13.50
Rubtsovsk	62.00	0.00	Moscow	262.34	16.19
Yoshkar-Ola	64.00	0.00	Nakhodka	256.67	8.07
Gornyyak	66.00	0.00	Ivanovo	240.08	0.37

Hard rennet cheese (of the variety Poshekhonskiy, Rossiyskiy, Kostromskoy, Yaroslavskiy, Gollandskiy, etc.): Average Price for Russian Federation—R295.36

Yoshkar-Ola	119.49	11.67	Magadan	537.70	1.19
Ulyanovsk	136.00	8.80	Yuzhno-Sakhalinsk	500.00	
Kazan	144.00	0.00	Yakutsk	432.55	-4.67
Naberezhnyye Chelny	144.00	0.00	Divnogorsk	430.00	63.50
Kamyshin	161.00	0.00	Blagoveshchensk	400.00	
Orsk	161.00	0.00	St. Petersburg	391.20	6.65
Ufa	165.00	0.00	Petropavlovsk-Kam-chatskiy	383.33	0.00
Neftekamsk	172.00	0.00	Moscow	364.60	10.39
Yelets	176.00	0.00	Nizhniy Tagil	350.00	0.00
Nalchik	186.36		Balakovo	336.00	29.23

Chicken eggs—price for 10: Average Price for Russian Federation—R63.31

Ulyanovsk	20.00	-7.88	Khabarovsk	159.19	38.99
Kyzyl	28.74	-25.21	Yuzhno-Sakhalinsk	144.00	-2.70
Kazan	30.84	-13.08	Birobidzhan	139.32	39.32
Ufa	33.00	-0.30	Komsomolsk-na-Amure	130.00	0.00
Ishimbay	35.31	-0.06	Komsomolsk-na-Amure	128.66	0.18
Sterlitamak	35.71	-0.28	Magadan	125.15	-3.73
Naberezhnyye Chelny	36.00	0.00	Vladivostok	125.00	2.07
Chistopol	36.00	0.00	St. Petersburg	106.85	1.04
Tolyatti	40.00	-20.00	Novgorod	96.00	23.08
Neftekamsk	40.20	14.86	Nevinnomyssk	90.00	28.57

Granulated sugar: Average Price for Russian Federation—R114.14

Ulyanovsk	36.28	-0.66	Kirovo-Chepetsk	200.00	
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Cities With Minimum and Maximum Prices (As of 11/24/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/17/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate in percentage	City	Maximum price per product unit (rubles, kopeks)	Rate in percentage
Novyy Oskol	41.00	0.00	Izhevsk	181.67	
Norilsk	54.00	-10.00	Novyy Urengoy	180.00	0.00
Kazan	60.00	0.00	St. Petersburg	173.83	-0.36
Naberezhnyye Chelny	60.00	0.00	Ivanovo	167.00	12.84
Chistopol	62.00	3.33	Yekaterinburg	165.29	1.05
Belgorod	66.00	0.00	Perm	163.71	2.32
Shebekino	66.00	0.00	Ryazan	160.00	8.47
Omsk	66.00	0.00	Bryansk	159.00	15.22
Maykop	67.50	55.39	Magadan	158.75	13.63

Rye-wheat bread: Average Price for Russian Federation—R23.08

Ulyanovsk	4.71	0.00	Severodvinsk	52.50	81.72
Norilsk	5.00	0.00	Apatity	42.50	-19.48
Kamyshin	6.67	0.00	Murmansk	41.25	37.50
Volgodonsk	10.00	0.00	Vorkuta	37.50	0.00
Taganrog	10.00	0.00	Novosibirsk	37.50	47.52
Voronezh	10.53	0.00	Kemerovo	35.56	6.69
Salekhard	11.76	0.00	Tayshet	34.10	0.00
Ufa	13.04	0.00	Rybinsk	33.33	11.10
Ishimbay	13.04	0.00	Arkhangelsk	32.19	-0.16
Sterlitamak	13.04	0.00	Perm	31.71	-0.13

Wheat bread made of first and second grade flour: Average Price for Russian Federation—R29.43

Makhachkala	6.00	0.00	Kemerovo	49.23	6.67
Tyumen	6.67	6.21	Arkhangelsk	48.49	-3.02
Volgograd	8.11	0.00	Angarsk	46.67	0.00
Kamyshin	8.11	0.00	Prokopyevsk	45.00	2.27
Taganrog	10.00	0.00	Yurga	44.00	3.12
Shakhty	10.00	0.00	Novokuznetsk	44.00	8.64
Nalchik	10.00	0.00	Vladimir	44.00	0.00
Rostov-na-Donu	10.67	0.00	Nakhodka	44.00	0.00
Volgodonsk	10.67	0.00	Tuapse	43.00	168.75
Ulyanovsk	10.67	0.00	Gorno-Altaysk	41.33	1.62

Milled millet: Average Price for Russian Federation—R39.82

Vorkuta	8.46	0.59	Tuapse	66.00	
Gornyyak	8.60	0.00	Penza	65.17	
Petropavlovsk-Kamchatskiy	9.00	8.04	Novosibirsk	64.60	18.53
Volgodonsk	9.00	0.00	St. Petersburg	63.75	0.00
Tula	9.00		Yekaterinburg	61.50	-1.25
Elista	10.00	0.00	Tyumen	61.00	
Orsk	11.50	0.00	Smolensk	59.00	0.00
Syzran	12.50		Moscow	58.91	2.26
Nakhodka	15.00		Kurgan	57.41	32.43

Cities With Minimum and Maximum Prices (As of 11/24/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/17/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate in percentage	City	Maximum price per product unit (rubles, kopeks)	Rate in percentage
Tolyatti	15.00	0.00	Tomsk	56.27	0.48
Vermicelli from the highest grade of wheat: Average Price for Russian Federation—R60.91					
Naberezhnyye Chelny	16.00	0.00	Biysk	117.00	30.00
Nalchik	24.00	0.00	Chistopol	111.00	0.00
Yelets	25.00	0.00	Kazan	111.00	0.00
Tambov	26.00	0.00	Tomsk	100.00	62.05
Lipetsk	28.00	7.69	Novorossiysk	99.00	0.00
Belgorod	29.00	-30.95	Samara	98.00	1.03
Novyy Oskol	30.00	0.00	Serov	94.94	2.33
Yoshkar-Ola	30.32	-1.88	Vladivostok	91.01	12.62
Kursk	31.77	-20.24	Nizhniy Tagil	90.00	-0.48
Kyzyl	32.57	-0.06	Rubtsovsk	90.00	0.00
Potatoes: Average Price for Russian Federation—R28.19					
Ishimbay	6.04	-1.31	Magadan	81.84	-3.72
Chistopol	8.00	0.00	Apatity	65.00	47.73
Naberezhnyye Chelny	8.04	0.50	Noriisk	60.00	0.00
Sterlitamak	8.29	0.97	Petropavlovsk-Kamchatskiy	51.54	3.08
Neftekamsk	9.14	-0.33	Severodvinsk	50.00	
Rubtsovsk	9.24	11.73	St. Petersburg	47.00	15.08
Orenburg	9.84	0.82	Arkhangelsk	46.15	1.01
Ulyanovsk	9.92	0.10	Yakutsk	45.71	1.58
Gornyyak	10.00	0.00	Murmansk	45.00	2.53
Novyy Oskol	10.00	0.00	Novyy Urengoy	43.00	0.00
Fresh green-head cabbage: Average Price for Russian Federation—R25.92					
Ulyanovsk	8.24	-1.08	Magadan	95.56	
Saratov	8.25	-17.99	Yakutsk	95.00	
Cherkessk	9.00	-1.85	Apatity	68.00	51.11
Novocheboksarsk	9.00	0.00	Petropavlovsk-Kamchatskiy	56.52	0.66
Volgodonsk	9.42	-5.80	Irkutsk	51.88	4.03
Yoshkar-Ola	9.49	-5.10	Komsomolsk-na-Amure	46.00	15.00
Taganrog	10.00	-29.43	Severodvinsk	45.00	0.00
Naberezhnyye Chelny	10.00	0.00	Angarsk	44.80	15.91
Chistopol	10.00	0.00	Sykt'yvkar	44.00	0.00
Nevinnomyssk	10.00	-12.59	Murmansk	40.50	1.25
Yellow onion: Average Price for Russian Federation—R34.51					
Rostov-na-Donu	14.50	-19.44	Petropavlovsk-Kamchatskiy	81.72	16.93
Taganrog	14.60	-0.75	Yuzhno-Sakhalinsk	80.00	0.00
Yoshkar-Ola	14.97	-6.67	Noriisk	75.10	0.13

Cities With Minimum and Maximum Prices (As of 11/24/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/17/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate in percentage	City	Maximum price per product unit (rubles, kopeks)	Rate in percentage
Stavropol	15.57	-19.45	Apatity	70.00	66.67
Izhevsk	16.74	3.59	Magadan	64.58	-6.26
Groznyy	18.00	-12.41	Moscow	60.36	7.65
Balakovo	18.92	1.07	Novyy Urengoy	56.00	0.00
Rubtsovsk	19.33	0.00	Yakutsk	55.00	0.00
Tayshet	20.00	0.00	Vladivostok	50.52	-12.76
Chelyabinsk	20.00	0.00	Komsomolsk-na-Amure	50.00	42.86

Apples: Average Price for Russian Federation—R87.67

Yelets	16.00	15.44	Yakutsk	282.17	19.04
Tula	21.39	28.16	Komsomolsk-na-Amure	250.00	66.67
Orel	24.93	28.77	Yuzhno-Sakhalinsk	250.00	-7.98
Novocheboksarsk	25.00	0.00	Petropavlovsk-Kamchatskiy	239.88	-0.05
Novomoskovsk	28.10	29.31	Magadan	210.00	-10.42
Kamyshin	32.43	3.78	Nakhodka	193.33	-20.55
Makhachkala	35.00	0.57	Vladivostok	183.87	8.83
Novyy Oskol	35.00	0.00	Abakan	180.00	-10.00
Ryazan	35.83	84.41	Birobidzhan	161.04	7.36
Penza	38.09	0.66	Khabarovsk	159.13	13.31

Tobacco items—price per pack, filter cigarettes: Average Price for Russian Federation—R85.28

Norilsk	30.00		Surgut	250.00	0.00
Novomoskovsk	40.67	1.67	Shakhty	220.00	0.00
Volgodonsk	42.14	23.14	Murmansk	200.00	0.00
Yoshkar-Ola	45.05	-1.38	Prokopyevsk	200.00	0.00
Divnogorsk	50.00	11.11	Novokuznetsk	190.00	0.00
Orel	52.00	0.00	Petropavlovsk-Kamchatskiy	180.00	0.00
Yelets	53.30	10.58	Armavir	180.00	0.00
Voronezh	55.00	5.49	Magadan	178.54	-7.91
Nizhniy Novgorod	55.00	0.00	Khabarovsk	173.93	29.80
Rostov-na-Donu	55.00	16.35	Yuzhno-Sakhalinsk	170.00	-26.09

(Nonfood Consumer Items)

Men's light overcoat, wool blend: Average Price for Russian Federation—R4,548.33

Saransk	2,255.00	-14.40	Orehovo-Zuyevo	12,540.00	85.78
Novocheboksarsk	2,280.00	0.00	Moscow	11,235.45	12.34
Kemerovo	2,300.00	0.00	Norilsk	11,000.00	0.00
Yurga	2,500.00	0.00	Orel	10,700.00	109.80
Elista	2,525.00	0.00	Novyy Urengoy	9,600.00	24.68
Tyumen	2,532.00	-36.70	Surgut	8,500.00	0.00
Nizhniy Tagil	2,642.50	7.20	Ukhta	7,945.00	16.84
Blagoveshchensk	2,745.00	-1.08	St. Petersburg	7,874.00	4.55
Tver	2,760.00	0.00	Kazan	7,708.33	15.81

Cities With Minimum and Maximum Prices (As of 11/24/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/17/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate in percentage	City	Maximum price per product unit (rubles, kopeks)	Rate in percentage
Yaroslavl	2,786.00	-0.61	Tomsk	7,602.00	4.86
Women's dress, wool blend: Average Price for Russian Federation—R1,292.93					
Groznyy	385.00	0.00	Vladivostok	12,600.00	
Tver	519.00	-2.00	Omsk	2,600.00	56.16
Saransk	562.00		Astrakhan	2,498.33	0.00
Yaroslavl	569.00	1.07	Petropavlovsk-Kamchatskiy	2,462.75	
Kamyshin	600.00	0.00	Ishimbay	2,370.00	
Kostroma	641.00	0.00	Moscow	2,296.47	14.28
Cherkessk	670.00		Perm	2,210.00	0.00
Naberezhnyye Chelny	685.00	0.00	Novyy Urengoy	1,960.00	15.29
Chelyabinsk	720.00		Shakhty	16,880.00	3.75
Yekaterinburg	723.00	-1.71	Smolensk	1,670.00	0.00
Men's socks, cotton: Average Price for Russian Federation—R57.84					
Naberezhnyye Chelny	26.00	0.00	Kemerovo	200.00	0.00
Novocheboksarsk	32.50	-26.14	Norilsk	175.00	0.00
Nizhniy Tagil	33.00	6.45	Rostov-na-Donu	122.00	9.91
Ulyanovsk	33.00	0.00	Angarsk	116.75	15.59
Sykt'yvkar	34.00	3.47	Neftekamsk	105.00	0.00
Kazan	34.00	0.00	Samara	100.00	0.00
Lipetsk	36.00		Ukhta	97.10	-9.67
Perm	36.00	10.77	Taganrog	96.50	0.00
Novorossiysk	37.50	1.35	Armavir	93.00	3.33
Sovetsk	37.50	0.00	Tayshet	90.50	21.48
Children's socks, cotton: Average Price for Russian Federation—R25.83					
Tambov	13.00	0.00	Angarsk	70.25	22.17
Apatity	13.50	0.00	St. Petersburg	57.00	26.67
Naberezhnyye Chelny	14.00	0.00	Tomsk	55.00	0.00
Chistopol	14.67	0.00	Orekhovo-Zuyevo	50.00	0.00
Orel	15.00	0.00	Makhachkala	49.92	-1.58
Penza	15.00	0.00	Armavir	47.00	14.63
Taganrog	15.00	0.00	Kyzyl	45.00	28.57
Serov	15.00	0.00	Magadan	44.00	0.00
Kurgan	15.35	1.19	Cherepovets	44.00	0.00
Izhevsk	15.50	3.33	Tayshet	40.50	3.85
Men's low shoes, fashion, with natural leather sole: Average Price for Russian Federation—R3,825.40					
Naberezhnyye Chelny	750.00	0.00	Neftekamsk	14,000.00	
Vladimir	908.00		Yoshkar-Ola	11,000	139.13
Birobidzhan	998.00	1.39	Rubtsovsk	9,000.00	0.00
Sovetsk	1,200.00	0.00	Ishimbay	8,000.00	14.29

Cities With Minimum and Maximum Prices (As of 11/24/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/17/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate in percentage	City	Maximum price per product unit (rubles, kopeks)	Rate in percentage
Rostov-na-Donu	1,240.00		Ulan-Ude	7,000.00	0.00
Blagoveshchensk	1,432.67	0.00	Shakhty	7,000.00	0.00
Cheboksary	1,440.25	0.00	Arkhangelsk	6,400.00	11.30
Chelyabinsk	1,500.00	0.00	Moscow	6,222.98	6.49
Elista	1,500.00	0.00	Chita	6,000.00	
Novorossiysk	1,800.00	6.64	Magadan	6,000.00	0.00

Women's summer shoes, fashion, with high (or medium) heel, with natural leather sole or imitation leather: Average Price for Russian Federation—R2,992.93

Voronezh	740.00	6.54	Neftekamsk	7,500.00	50.00
Rostov-na-Donu	850.00	0.00	Orehovo-Zuyevo	6,000.00	0.00
Orsk	1,077.00	0.00	Armavir	5,500.00	0.00
Balakovo	1,125.00		Petropavlovsk-Kamchatskiy	5,090.00	3.88
Kirovo-Chepetsk	1,200.00	9.09	Yoshkar-Ola	5,000.00	11.11
Cherkessk	1,250.00	-0.48	Dzerzhinsk	5,000.00	25.00
Kaluga	1,325.00	-40.95	Barnaul	5,000.00	11.11
Stavropol	1,500.00	6.45	Divnogorsk	4,900.00	0.00
Obninsk	1,500.00		Ufa	4,709.17	21.55
Chelyabinsk	1,500.00	0.00	Yaroslavl	4,646.00	10.36

Color television, non-portable (screen diagonal 61 cm): Average Price for Russian Federation—R52,552.55

Krasnoyarsk	30,000.00	0.00	Petropavlovsk-Kamchatskiy	90,000.00	80.00
Vorkuta	32,000.00	0.00	Yakutsk	65,000.00	12.07
Nakhodka	35,000.00	0.00	Elektrostal	65,000.00	0.00
Salekhard	40,000.00	0.00	Omsk	62,100.00	
Cheboksary	40,000.00	0.00	Rostov-na-Donu	62,000.00	7.19
Novorossiysk	40,600.00	0.00	Orsk	62,000.00	0.00
Saransk	42,515.00		Lipetsk	61,250.00	0.00
Penza	43,000.00		Serov	60,500.00	0.00
Volgograd	45,000.00	7.91	Abakan	60,000.00	
Samara	45,000.00	0.00	Ulan-Ude	60,000.00	

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[Report by economists Valeriy Galitskiy, Aris Zakharov, and Aleksandr Frenkel, Moscow: "Prices Are Rising Increasingly Faster"]

[Text]

The Consumer Market

The period of 24 November to 1 December produced the largest weekly jump in food prices over the past three months—7.2 percent. The dynamics of prices for food products in November in 132 surveyed cities of Russia are represented in Table 1.

Table 1: Dynamics of Prices of Food Products in November

	As a Percentage of the Preceding Date				
	11/03	11/10	11/17	11/24	12/01
Total	106.3	105.8	104.9	105.2	107.2
including:					
—in retail trade	105.7	104.3	105.7	105.1	106.6
—at city markets	107.8	109.6	103.0	105.3	108.6

Considerable price changes took place as a result of their faster than average increases at city markets in the Northern, North-Western, Siberian, and other regions. Over the past week prices increased by almost a factor of 1.5: for pork—at Ulan-Ude markets; for butter—in St. Petersburg and Saransk; for milk—in Kazan and Tyumen; and for potatoes—in Barnaul and Tyumen. A similar price hike was also registered at city markets at the end of September and in October of this year. At the time, the rate of price increases at city markets amounted to 7.1 percent and 7.8 percent, respectively

Over the past week retail prices went up perceptively in cities in the Volga region, and some cities in the Northern, Urals, East Siberian regions and the Far East. For instance, prices for beef, butter, and milk went up by 25-50 percent in stores in Kazan, Chistopol, Chita, and Norilsk.

The dynamics of prices with respect to basic food products over the past three months is characterized by the data shown in Table 2.

Table 2: Price Dynamics of Food Products in September-November 1992

	As a Percentage of the Preceding Month		
	September	October	November
Total	117.0	125.2	133.1
including:			
—in retail trade	116.7	127.6	130.6
—at city markets	117.9	119.2	139.3

In Russia as a whole, overall price level for basic food products over these three months on average doubled. Prices for dairy products and eggs doubled in retail trade and tripled at city markets.

Price increases by basic groups of products over the month of November are shown in Table 3.

Table 3: Price Increases by Product Groups

	as a Percentage of October		
	Total	Including	
		Retail Trade	City Markets
All food products	133.1	130.6	139.3
including:			
Meat and meat products	130.8	131.3	130.2
Dairy products	145.0	142.1	169.2
Eggs	131.3	129.9	147.6
Sugar	135.5	136.7	
Bread and bakery products	115.2	115.2	
Cereals and pasta	130.5	130.5	

The highest prices for food products were observed in the cities of the Northern region and in the Far East. The average price for beef in Yuzhno-Sakhalinsk, Magadan, and Nakhodka was 320-380 rubles [R] per kg; for butter in Petrozavodsk—R562 per kg; and for vegetable oil in Khabarovsk and Murmansk—R300-380 per kg. The

lowest prices were in Ulyanovsk, where beef was sold R69 per kg, butter—at R79 per kg, vegetable oil—at R50 per kg, and milk—at R2 per liter.

Of 22 continuously monitored nonfood items, the greatest increases were observed in prices for electric

appliances and knitwear—almost 1.5-fold. As of 1 December, color television sets were not available in 66 out of 132 cities in Russia, and refrigerators—in 88.

Prices for paid services continue to rise. The cost of laundry service went up by 30 percent. With the average cost of doing 1 kg of laundry being R23, in Lipetsk, Balakovo, Blagoveshchensk, Magadan, and Yuzhno-Sakhalinsk the "laundry" costs over R40, and in Kamyshin and Petropavlovsk-Kamchatskiy—over R70. The cost of individual dress-making and dry cleaning went up by 16 percent in surveyed cities.

The cost of a one-way inner-city bus trip rose by 26 percent; in 24 cities it cost R3; in 22—R2; and in Blagoveshchensk—R5.

Food Production

Over the period 30 November-4 December the production of sugar declined by 16 percent, and of bread and bakery products—by 1-2 percent; the sales of these products fell by 1-3 percent. The situation with respect to vegetable oil has worsened: while demand increased (sales over this period increased by 2 percent), output declined by 10 percent; as a result, it disappeared from stores in Vologda, St. Petersburg, Ivanovo, Kostroma, Cheboksary, Belgorod, and Yuzhno-Sakhalinsk.

The output of whole-milk products increased by 3 percent. At the same time, residents of Kaluga, Makhachkala, Yekaterinburg, Tomsk, and Kyzyl experienced difficulties in purchasing milk, kefir, cottage cheese, etc.

Over January-November of this year the output of food products declined by 18 percent as compared with the corresponding period of last year. Over the elapsed period of the year, the production of whole-milk products, canned dairy products, and cheeses declined by 49 percent, 19 percent, and 26 percent, respectively.

Over this period, sugar industry enterprises produced 3.6 million tonnes of granulated sugar from sugar beet, which is 11 percent more than over January-November of 1991.

In November the volume of output of many most important varieties of food products was lower than in October of this year. However, with respect to a number of food products the scale of decline with respect to their production has diminished somewhat as compared with November 1991. Among these are meat, sausage, bread and bakery products, commercial edible fish products, and others.

An increase in the average daily production of vegetable oil and cereals in November of this year reduced the rate of decline with respect to production of these products from 23 percent and 32 percent in October of this year to 17 percent and 16 percent in November.

Industry

Over January-November of this year Russian industry produced R13.3 trillion worth of output in current prices, which is 13.6 times more in terms of monetary value than over the corresponding period of last year. The index of physical volume of industrial production, determined on the basis of dynamics of output of the most important categories of goods in physical terms, amounted to 81.4 percent over 11 months of this year, and 76 percent in November.

In the fuel industry sectors, oil production has fallen by 15 percent since the beginning of the year; coal production—by 4 percent; and gas extraction—by 0.6 percent. The average daily production of oil in November amounted to 977,000 tonnes, which constitutes a 0.7 percent decline as compared with the previous month, and a 16-percent decline as compared with November of last year. Inadequate supplies of crude and the high degree of wear and tear of capital assets used in industrial production (75 percent) have a considerable impact on the operation of the oil-refining industry. Since the beginning of the year the output of basic varieties of products (automotive gasoline, diesel fuel, boiler oil) fell by 9-10 percent as compared with last year's level. Over the elapsed month, the daily production of coal exceeded the October level by 3 percent. The sector is still suffering from a shortage of materials and technical resources: tires for large-capacity trucks, mine timber, and others.

In ferrous metallurgy the October trend continued with respect to production of finished rolled metal: its average daily output increased by 8 percent as compared with the previous month. Over the 11 months as a whole, the output of finished rolled metal declined by 8.1 million tonnes (16 percent) as compared with the same period of last year. Because of falling demand there was a considerable decline in the output of a number of varieties of specialized types of rolled metal: wide-track railroad rails, beams, channels, rolled specialty steel (ball-bearing and instrument grade), whose output fell by more than one-quarter. The situation remains unstable with respect to the production of pipe, which after a 13-percent increase in average daily production in October—as compared with September—showed an 8-percent decrease in November. Since the beginning of the year 2.4 million tonnes, or one-quarter, less steel pipe has been produced than last year; also because of slackened demand, the production of large-diameter pipe has fallen by almost half.

In machine building the average daily production of many items in November exceeded that of October. This includes the production of large electric machinery, alternate current motors, woodworking machine benches, self-propelled cranes, bulldozers, excavators, freight railcars, buses, tractor-drawn attachments, anti-friction ball bearings, tractors, trucks, trolley buses, metal-cutting machine tools, and self-propelled graders.

At the same time, with respect to many items a considerable lag remains as compared with the level of January-November of last year.

A difficult situation has developed in the electric equipment industry. Over January-November 1992 the output of large electric machinery and low-power electric motors declined by 20 percent as compared with the corresponding period of last year; of alternate current electric motors—by 25 percent; and of city telephone cables—by two-thirds. One of the factors causing this situation is the shortage of copper.

In the chemical and petrochemical industry the output of the most important categories of products continues to decline. Reductions in the extraction volume of mined chemical raw materials led to a decline in the production of fertilizers in January-November by 2.7 million tonnes (21 percent) as compared with last year's level. The production of high-efficiency plastics and items made of them—polystyrene, polyethylene, polypropylene, polyvinylchloride, and polyvinylchloride-based plastics—in January-November of this year amounted to 89-93 percent of that of the corresponding period of last year; of pipe and pipeline parts made of thermoplastics—three-quarters; and of glass-fiber plastics—two-thirds. The production of chemical insecticides and pesticides over the same period fell by 20,000 tonnes (25 percent).

In the circumstances of dramatic reductions of centralized capital investment and the shortage of modern technologies and equipment, the operation of enterprises in the timber, woodworking, and pulp and paper industries has remained unstable for a long period of time. Despite some increase in the average daily production of most varieties of the industry's output in November as compared with October, it was not possible to reach last year's level—that of both November and the 11-month period. As the volume of timber-logging continued to decline (the removal of round timber fell by 12 percent as compared with January-November of last year), the decline also continued in the output of the most efficient production sector—advanced whole timber processing. For instance, as compared with January-November of last year the output of paper fell by almost one-quarter, and of cardboard, plywood, particle board and hard wood-fiber panels—by 10-16 percent.

The declining production in the construction materials industry, which has been present since the beginning of the year due to the shrinking volume of capital construction and reduced demand for the industry's output, continued in November. The average daily production of the most important varieties of construction materials was 6-18 percent below that of October of this year. Overall over 11 months, as compared with the level of the corresponding period of last year, production decline as compared with the corresponding period of last year was: with respect to construction brick—7 percent; pliable roofing materials—19 percent; high-grade asbestos—18 percent; prefabricated ferroconcrete—22 percent; and roof slate and window glass—9 percent. The

production of cement out of clinker using the energy-saving "dry" method fell by 16 percent over the indicated period (of cement as a whole—by 19 percent). Its share in total cement output amounts to only 15 percent.

In the light industry, as compared with October of this year the average daily production of woolen, silk, linen, and hemp-and-jute fabrics, as well as of knitwear, increased in November; however, as compared with November of last year the lag in the production of these items amounted to 18-39 percent; over the period since the beginning of this year their production has fallen 16-32 percent. The output of cotton yarn and fabrics and footwear fell by one-third. The main reasons—shortage of raw materials and parts, and difficulties in selling the final product. For the reasons mentioned above there were production stoppages every month at more than 200 light industry enterprises; the loss of productive time since the beginning of the year amounted to 10.6 million man-days.

The production of complex household appliances (refrigerators and freezers, vacuum cleaners, washers, television sets, and tape recorders) declined by 11-26 percent as compared with January-November of 1991.

Agriculture

The first months of the cattle wintering period are taking place under difficult conditions. As of 1 December of this year, farms had in storage 63.3 million tonnes of feed units of all varieties of fodder, which is 7 percent less than by this time last year. As a result of herd reductions, fodder stocks per standard head of cattle amounted to 13.2 quintals of feed units as compared with 12.7 quintals of feed units last year. This is not enough for normal wintering of cattle. In 28 regions of Russia the remaining stocks amount to less than 10 quintals of feed units per head. Among them are territories in the Northern and Northwestern regions, Vladimir, Moscow, Yaroslavl, and Kaliningrad Oblasts, and some other regions.

In the circumstances of feed resource shortage, and taking into account the fact that earnings from selling animal husbandry products often do not cover sharply increased production costs, Russian agricultural enterprises are continuing to cut the volume of production of most important food products, sending productive cattle and poultry to slaughterhouses. For instance, in October of this year alone the herd of horned cattle at public farms declined by 1 million head, and by another 0.6 million in November; the herd of pigs shrunk by 0.5 million and 0.6 million, respectively; and of sheep and goats—by 2 million and 1.5 million. This is considerably more than similar reductions of the herd size in October-November of last year.

Horned cattle mortality over two winter months of the wintering period amounted to 334,000 head; also lost were 1.2 million pigs and 757,000 sheep and goats, which is 7-14 percent more than a year ago. Herd replenishment by calves over the same period declined

by 12 percent, by piglets—by 19 percent, and by lambs and kids—by 17 percent, which, together with the perceptible herd reduction, is creating a negative trend with respect to the industry's outlook for future development.

As compared with October-November of 1991, cattle and poultry sales for slaughter fell by 9 percent; the production of milk fell by 20 percent, and of eggs—by 16 percent; milk yield per cow fell by 17 percent; the average daily milk yield per cow at Russian dairy farms declined from 4.8 kg to 4.0 kg. Cattle and poultry sales declined in 54 regions of Russia, and the production of milk and cow productivity practically everywhere (except in the Republics of Komi and Yakutia).

The replenishment of state food reserves is proceeding in an unsatisfactory manner. By 1 December of this year state procurement of cattle, poultry, and milk had fallen by one-quarter; of eggs—by 22 percent; and of wool—by half.

The average procurement price per kilogram of cattle and poultry (in live weight) paid by procurement organizations—without taking subsidies into account—in November of this year amounted to R40.0; per liter of milk—R10.1; and per 10 eggs—R34.1, having increased as compared with October with respect to meat—by one-quarter, eggs—by one-third, and milk—by more than 40 percent.

Transportation

As the volume of industrial production continues to decline, cargo shipment by public use railroads in Russia continues to decline as well. In November the average volume of loading amounted to 4 million tonnes, which is 22 percent less than in November of last year, and 4

percent less than in October of this year. The greatest decline as compared with October of this year occurred at the West Siberian (by 17 percent), Moscow (by 11 percent), and Gorkiy (by 9 percent) railroads.

An unsatisfactory situation exists with respect to serving urban and suburban passenger transportation needs; the main factors affecting this sector are insufficient deliveries of rolling stock, its inoperable condition, fuel shortages, and the shortage of drivers and operators.

Over seven days (from 23 to 29 of November of this year), more than 15 percent of scheduled runs were not performed by ground passenger transportation in every fourth city—republic capital, kray and oblast center. In Gorno-Altaysk and Groznyy one half of the runs were canceled this week; in Makhachkala—42 percent; in Astrakhan, Elista, and Vladikavkaz—one-third; and in Moscow, Cherkessk, Ufa, Kyzyl, and Yuzhno-Sakhalinsk—one-quarter.

The least satisfactory state of suburban bus transportation operations was registered this week in the following cities: Cherkessk (39 percent, or 600, scheduled runs not performed); Gorno-Altaysk (39 percent, 600); Moscow (24 percent, 15,100); Nalchik (24 percent, 800); Rostov-na-Donu (23 percent, 1,000).

Consumer Reserves of Coal and Boiler Oil

Over November of this year there were no substantial changes with respect to supplying consumers in the Russian Federation with coal and boiler oil (see Table 4). Continuing difficulties are being experienced by metallurgical enterprises, where coal reserves declined by 46 percent over the elapsed month; reserves declined by 37 percent over the first 10 days of the month, and then on average by 4-6 percent over subsequent weeks.

Table 4: Actual Reserves of Fuels

	Coal				Boiler Oil			
	As of 11/01/92		As of 11/30/92		As of 11/01/92		As of 11/30/92	
	thousand tonnes	consumption days	thousand tonnes	consumption days	thousand tonnes	consumption days	thousand tonnes	consumption days
Energy sector enterprises	28,785	57	26,265	52	3,540	40	3,508	39
Metallurgical enterprises	3,578	21	1,933	13	664.9	46	580.4	42
including for coking	974.6	7	529.9	6				
Boiler rooms in the housing and municipal complex	535.4	65	498.0	63	196.4	57	183.3	54
Rayon (city) fuel wholesale distribution organization warehouses	3,148	42	2,734	37				

A difficult situation exists at the thermal electric power station in Arkhangelsk Oblast, where—the same as a week ago—boiler oil reserves amounted to a one-day operation requirement; while somewhat increased, its reserves in Kamchatka Oblast remain low—a six-day supply.

Reserves of coal at Kaliningrad Oblast's metallurgical enterprises dropped over the past week from a five-day to a two-day supply, and in Altay Kray—from a

17-day to a seven-day supply; there are continuing shortages of coal at enterprises of Kemerovo (six days), Vologda (eight days), and Lipetsk (nine days) Oblasts. Like a week ago, there was a four-day and a five-day supply of coking coal at metallurgical enterprises of Kemerovo and Sverdlovsk Oblasts; reserves in Kaliningrad Oblast dropped from a four-day to a one-day supply; and at the Orenburg chemical-metallurgical combine there was no coal at all.

Housing and municipal services boiler rooms in a number of territories in Russia have inadequate supplies of coal. Two- to six-day supplies existed in Belgorod, Voronezh, and Tyumen Oblast, the Mordovian SSR, and Krasnoyarsk Kray.

In almost half the regions in Russia the situation remains difficult with respect to supplying cultural and social organizations, as well as the population, with fuel. Rayon (city) fuel wholesale distribution organization warehouses in the Mordovian SSR had only a two-day supply of coal; in Orel Oblast—four days; and in Bryansk, Tver, Magadan Oblast, and the Republic of Khakassia—one week.

Exchanges

As of the beginning of October of this year there were more than 250 exchanges operating on the territory of the Russian Federation. The total volume of turnover at these exchanges over January-September amounted to R197.9 billion, including R83.2 billion in the third quarter.

Almost one-third of the Russian exchanges are concentrated on the territory of the Central Economic Region (they account for 43 percent of the total turnover, or R85.4 billion); 12 percent on the territory of the Volga region; 10 percent each in the Urals and the North Caucasus regions; and 8 percent in the West Siberian region.

The largest centers of exchange activities are Moscow, where 58 exchanges and a turnover of R82 billion (43 percent of the total exchange turnover) are registered; St. Petersburg—nine exchanges (R12 billion); Krasnodar Kray—nine exchanges (R3.4 billion); Samara Oblast—seven exchanges (R3.9 billion); Saratov Oblast—seven exchanges (R1.5 billion); Sverdlovsk Oblast—10 exchanges (R5.3 billion); Novosibirsk Oblast—seven exchanges (R2.5 billion); Rostov Oblast—six exchanges (R1.2 billion); Tyumen Oblast—six exchanges (R6.6 billion). The largest among them are: the Russian Commodity and Raw Materials Exchange Joint-Stock Society, whose turnover over nine months amounted to R17.6 billion (9 percent of the total exchange turnover in Russia); the Moscow Petroleum Exchange Joint-Stock Society—R11.2 billion (6 percent); the Moscow Commodity Exchange—R8.6 billion (4 percent); and the Chelyabinsk Universal Exchange—R8.2 billion (4 percent).

At the same time there are a number of exchanges in Russia which, while spending money for consumption, have not conducted any transactions since the beginning of the year, and did not generate any turnover; among them are the Russian Commodity and Stock Exchange for Science and Technology Products (Vologda); the Consumer and Imported Goods Exchange (Moscow); the Saratov Stock Exchange; the West Siberian Commodity and Stock Exchange and the Siberian Food Exchange (Novosibirsk); and the Vladivostok International Stock Exchange.

Average Prices for Food Products in the Russian Federation (Retail Trade)

Representative products	11/10/92	11/17/92	11/24/92	12/01/92
Beef, Category I	151.02	156.91	166.34	178.87
Pork	165.66	171.50	189.56	210.36
Meat patties (per 10)	111.43	126.11	131.11	142.22
Peimeni [meat-filled dumplings], frozen	109.54	119.03	124.03	127.46
Boiled sausage, Grade I	219.70	231.64	242.02	258.24
Salami, Grade I	337.62	351.25	374.50	395.88
Live fish	73.48	80.83	83.75	103.23
Mackerel, quick-frozen, refrigerated, unsegmented	74.39	90.18	91.03	108.09
Fish filet (mackerel)	112.01	93.27	122.44	167.96
Smoked fish (mackerel)	184.01	203.98	205.69	198.06
Herring, salted and brined, ivasi	153.31	157.32	174.21	201.37
Butter	298.41	326.89	336.30	388.08
Vegetable oil	130.42	135.11	140.14	170.22
Melted pork fat	114.58	125.17	136.42	151.15
Table margarine	131.45	148.09	161.06	185.36
Pasteurized milk, 1.5-3.5 percent fat	15.29	16.99	17.40	18.95
Fatty kefir	16.35	18.93	19.34	20.77
Sour cream	100.47	111.61	115.72	123.59
Cottage cheese	78.00	86.89	94.57	107.63
Low-fat cottage cheese	40.42	48.38	44.65	50.22

Average Prices for Food Products in the Russian Federation (Retail Trade) (Continued)

Powdered cow's milk	136.35	143.15	157.83	191.35
Hard rennet cheese (of the varieties Rossiyskiy, Poshekhonskiy, Kostromskoy, Yaroslavskiy, Gollandskiy, etc.)	243.46	265.56	289.86	317.55
Pasteurized processed cheese (of the varieties Druzhba, Volna, Yantar, Leto)	187.98	194.95	197.74	226.08
Feta cheese	141.30	182.59	174.26	175.67
Canned fish, price per standard 350-gram can, natural, with oil added (mackerel, scad)	62.19	68.02	73.01	80.18
Canned fish, price per standard 350-gram can, salmon in tomato sauce	87.92	91.47	102.95	108.98
Canned tomato puree and paste	95.32	101.98	114.69	145.48
Canned fruit for babies	117.94	130.41	132.46	134.66
Chicken eggs (price per 10)	59.29	61.47	62.53	69.29
Granulated sugar	103.49	109.60	113.54	123.85
Ordinary cookies (of the variety Apelsinovo-voye, Privet, etc.)	118.05	123.33	128.51	140.05
Spice cake, bulk	100.71	104.65	108.31	115.64
Caramel candy, wrapped	211.21	214.78	247.95	276.36
Bohea black tea, highest quality	716.22	788.92	876.93	904.96
Salt	8.59	8.84	9.38	9.65
Rye flour	22.05	20.10	19.08	18.42
Highest grade wheat flour	38.61	40.21	42.62	42.80
Rye bread	19.96	21.25	21.02	20.99
Rye-wheat bread	22.19	23.58	23.08	23.96
Wheat bread from all-wheat flour	5.00	5.00	5.00	15.00
Wheat bread from highest grade flour	35.64	38.47	39.57	42.07
Wheat bread from Grade I and Grade II flour	26.31	26.71	28.43	29.92
Rolls and buns from highest grade wheat flour, price per 500 grams	23.41	23.54	23.39	23.51
Rolls and buns from Grade I wheat flour, price per 500 grams	18.98	19.94	19.78	23.55
Rolls and buns from Grade II wheat flour, price per 500 grams	30.00	30.00	30.00	
Pretzels, Grade I wheat flour	78.35	79.11	79.65	83.14
Rusk, Grade I wheat flour	91.70	94.29	97.80	101.67
Milled and polished rice	56.06	63.71	68.57	72.79
Semolina	33.15	34.67	37.09	40.55
Milled millet	36.12	39.66	39.59	40.80
Unmilled buckwheat	86.28	92.85	93.38	106.96
Gerkules oatmeal	49.97	56.87	71.77	76.88
Ground split peas	30.40	40.86	46.82	57.24
Macaroni, regular and fancy, various styles of cut (long and short), made from highest grade wheat flour	71.16	78.07	79.68	85.24
Macaroni, regular and fancy, various styles of cut (long and short), made from Grade I wheat flour	47.28	51.06	52.07	50.99
Noodles, made from highest grade wheat flour	52.04	60.23	63.65	63.50

Average Prices for Food Products in the Russian Federation (Retail Trade) (Continued)

Vermicelli, made from highest grade wheat flour	55.14	58.54	60.64	66.48
Elbow macaroni, all varieties, from highest grade wheat flour	54.70	58.94	60.97	64.60
80-proof vodka, price per liter	408.05	415.27	452.07	477.60
Mayonnaise	172.27	175.12	188.38	202.07
Potatoes	23.75	25.70	26.67	29.79
Fresh green-head cabbage	22.82	22.83	26.23	26.73
Yellow onions	30.50	31.63	32.01	32.27
Garlic	234.28	231.27	241.02	242.24
Red beets	27.33	27.71	28.76	30.57
Carrots	31.28	31.36	32.24	33.32
Apples	65.93	77.37	81.09	90.76
Tobacco products, price per pack of papirosy cigarettes	33.62	35.27	37.56	39.07
Tobacco products, price per pack of filter cigarettes	74.54	81.71	85.41	91.82
Matches	1.45	1.56	1.55	1.61

Note: The commodity price is per kilogram; meat cutlets and eggs—for 10; milk, kefir, and vodka—per liter; canned fish products per standard can; tobacco items and matches—per pack

Average Prices for Nonfood Products in the Russian Federation

Representative product	11/10/92	11/17/92	11/24/92	12/01/92
Men's light overcoat, wool blend	6,297.59	6,945.57	6,502.04	7,125.40
Two-piece suit, wool blend	4,125.40	4,269.77	4,548.33	4,837.16
Men's trousers, wool blend suit fabric	1,033.41	1,088.42	1,114.09	1,193.47
Men's shirt, cotton fabric	509.35	533.83	539.29	584.44
Women's light overcoat, wool blend	5,864.14	6,276.89	6,423.96	7,025.80
Women's dress, wool blend	1,086.93	1,112.51	1,292.93	1,227.44
Boys' jacket, lined, synthetic fabric	2,219.07	2,393.22	2,395.58	2,566.32
Girls' dress, wool blend	425.38	441.47	448.59	451.18
Boy's shirt, flannel or fustian	146.48	151.93	163.93	169.89
Men's jumper (sweater), pure wool yarn	2,856.51	3,212.20	3,467.18	3,975.94
Children's T-shirt, cotton fabric	59.18	63.16	65.44	66.88
Women's pantyhose, elastic	123.92	129.55	132.96	137.01
Men's socks, cotton	56.80	57.14	57.84	61.67
Children's socks, cotton	25.00	25.14	25.83	26.82
Children's tights, cotton	87.62	90.96	97.35	102.69
Men's low shoes, fashion, with natural leather sole	3,378.20	3,385.17	3,825.40	4,211.02
Women's boots, low-heel or platform sole, lined with textile material, with polyurethane sole	8,177.06	8,788.25	9,062.78	9,709.66
Women's summer shoes, fashion, with high (or medium) heel, with natural leather sole or imitation leather	2,723.94	2,886.43	2,992.93	3,310.91
Summer shoes for school-age girls, medium heel, porous rubber sole	513.10	518.63	535.30	541.78
Refrigerator, floor-standing, semi-automatic defrost (KSh-260)	42,151.39	47,566.76	44,896.27	53,167.98

Average Prices for Nonfood Products in the Russian Federation (Continued)

Electric iron, automatic	1,243.19	1,317.66	1,355.22	1,389.62
Color television, non-portable (screen diagonal 61 cm)	44,351.91	48,235.05	52,552.55	54,281.63
Gasoline	24.97	24.97	25.37	26.48
Coal	212.29	214.08	216.09	217.68
Firewood	92.73	95.57	96.12	96.14
Peat briquettes	178.91	178.63	179.20	183.18
Electric power (urban localities)	0.35	0.35	0.35	0.35
Electric power (rural localities)	0.23	0.23	0.23	0.23

Note: Commodity price is per unit, gasoline—per liter, coal—per tonne, firewood and peat briquettes—per cubic meter, electric power—per kilowatt-hour.

Cities With Maximum and Minimum Prices (As of 12/01/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/24/92

City	Minimum price per product unit (rubles, kopeks)	Rate (percent)	City	Maximum price per product unit (rubles, kopeks)	Rate (percent)
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Category I beef: Average price for Russian Federation—R210.31

Cherkessk	114.50	0.00	Surgut	400.00	0.00
Astrakhan	123.29	6.86	Yuzhno-Sakhalinsk	380.00	15.85
Yelets	124.51	-3.30	Magadan	356.10	11.16
Elista	125.00	0.00	Nakhodka	321.25	37.29
Bryansk	125.86	-15.31	Komsomolsk-na-Amure	320.97	-7.97
Ulyanovsk	126.13	54.46	Yaroslavl	303.21	22.06
Gornyyak	130.00	0.70	Khabarovsk	298.67	15.64
Groznyy	130.00	8.33	Yakutsk	292.00	3.55
Kostroma	131.35	0.93	Irkutsk	290.00	7.85
Gorno-Altaysk	134.44	1.64	Perm	288.03	21.59

Grade I cooked sausage: Average price for Russian Federation—R258.43

Ulan-Ude	144.47	8.08	Magadan	593.15	14.29
Shakhty	152.00	0.00	Novyy Urengoy	450.00	
Yelets	154.00	0.00	Yuzhno-Sakhalinsk	403.00	6.05
Kirov	160.00	0.00	Kopeysk	400.00	0.00
Kirovo-Chepetsk	161.13	-15.95	Chelyabinsk	400.00	32.89
Tula	165.84	0.51	Salekhard	400.00	0.00
Nalchik	167.00		Vladivostok	375.00	20.01
Cheboksary	170.31	9.47	Tayshet	346.00	0.00
Abakan	173.00	-13.41	Ukhta	345.00	
Smolensk	174.00	1.36	Miass	337.00	36.99

Grade I salami: Average price for Russian Federation—R397.74

Nalchik	212.00		Yakutsk	939.00	34.14
Novyy Oskol	214.00	0.00	Magadan	785.25	-1.23
Cheboksary	229.46		Yuzhno-Sakhalinsk	760.00	-1.30
Gornyyak	238.00		Novyy Urengoy	752.00	0.00
Yelets	244.20	-3.48	Taganrog	655.45	0.00
Ishimbay	246.00	0.00	Tomsk	583.16	49.98

Cities With Maximum and Minimum Prices (As of 12/01/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/24/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate (percent)	City	Maximum price per product unit (rubles, kopeks)	Rate (percent)
Lipetsk	250.35	-1.41	Salekhard	566.00	0.00
Biysk	252.00	3.70	Irkutsk	530.00	31.19
Cherkessk	254.92	-4.36	Surgut	525.00	0.00
Groznyy	256.31	-4.51	Blagoveshchensk	515.60	-5.98

Butter: Average price for Russian Federation—R390.07

Ulyanovsk	79.00	0.23	Divnogorsk	682.50	
Orel	205.00	1.61	Krasnoyarsk	633.18	7.01
Naberezhnyye Chelny	240.00	50.00	Abakan	600.00	12.28
Chistopol	240.00	50.00	Petrozavodsk	562.00	40.50
Kazan	242.68	50.84	Tomsk	560.00	10.89
Noriisk	250.00	66.67	Blagoveshchensk	560.00	0.28
Ishimbay	250.00	0.00	Prokopyevsk	550.00	
Volgograd	250.83	0.10	Birobidzhan	542.22	4.51
Ufa	261.83	13.88	Groznyy	520.59	31.79
Kamyshin	269.50	0.00	Novgorod	520.00	10.86

Vegetable oil: Average price for Russian Federation—R174.44

Ulyanovsk	50.00	0.00	Komsomolsk-na-Amure	447.50	35.61
Yuzhno-Sakhalinsk	55.00	0.00	Khabarovsk	380.00	-6.34
Noriisk	60.00	0.00	Birobidzhan	380.00	0.00
Rubtsovsk	75.00	0.00	Murmansk	340.00	
Chistopol	75.00	50.00	Birobidzhan	316.00	4.40
Salekhard	77.00	-14.44	Novosibirsk	290.00	3.57
Gornyyak	82.00		Rybinsk	290.00	0.00
Belgorod	85.11	18.47	Tomsk	290.00	132.00
Ufa	88.00	-23.48	Serov	252.84	
Neftekamsk	90.00	0.00	Yaroslavl	250.75	

Pasteurized milk, 1.5-3.5-percent fat: Average price for Russian Federation—R19.38

Ulyanovsk	2.00	0.00	Orehovo-Zuyevo	60.00	20.00
Tyumen	3.10	12.32	Nakhodka	54.75	15.09
Kyzyl	6.00		Severodvinsk	54.00	28.57
Volgodonsk	6.26	0.32	Murmansk	52.74	1.42
Nalchik	8.00	0.00	Vladivostok	52.11	32.60
Vladikavkaz	8.00	0.00	Apatity	50.00	92.31
Ishimbay	8.07	-1.82	Novokuznetsk	41.56	35.51
Balakovo	8.21	1.11	Novorossiysk	40.66	0.22
Orel	8.30	1.59	Petrozavodsk	38.00	54.47
Gorno-Altaysk	8.54	-1.50	Elektrostal	38.00	0.00

Sour cream: Average price for Russian Federation—R152.93

Ulyanovsk	32.39	-19.47	Tomsk	450.00	226.99
Elista	50.00	0.00	Astrakhan	350.00	16.67

Cities With Maximum and Minimum Prices (As of 12/01/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/24/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate (percent)	City	Maximum price per product unit (rubles, kopeks)	Rate (percent)
Kursk	52.64	6.62	Petropavlovsk-Kamchatskiy	336.95	0.19
Rubtsovsk	62.00	0.00	St. Petersburg	304.19	1.32
Neftekamsk	65.00	-2.50	Makhachkala	300.00	0.00
Nizhniy Tagil	66.00	0.00	Moscow	293.12	11.73
Serov	67.00	0.00	Krasnoyarsk	264.05	-0.69
Gorno-Altaysk	69.23	0.03	Yuzhno-Sakhalinsk	261.54	13.33
Novyy Oskol	70.32	1.78	Nakhodka	256.67	0.00
Cheboksary	75.00	0.00	Ivanovo	251.84	4.90

Hard rennet cheese (of the variety Poshekhonskiy, Rossiyskiy, Kostromskoy, Yaroslavskiy, Gollandskiy, etc.): Average price for Russian Federation—R324.47

Ulyanovsk	136.00	0.00	Magadan	548.82	2.07
Norilsk	159.09		Yuzhno-Sakhalinsk	525.00	5.00
Ufa	165.00	0.00	Yakutsk	451.26	4.33
Yoshkar-Ola	173.61	45.29	St. Petersburg	432.15	10.47
Kostroma	173.64	-9.30	Divnogorsk	430.00	0.00
Yelets	176.00	0.00	Nizhniy Tagil	412.00	17.71
Nalchik	182.00	-2.34	Blagoveshchensk	400.00	0.00
Orsk	184.00	14.29	Krasnoyarsk	387.67	24.06
Lipetsk	200.00		Balakovo	386.00	14.88
Smolensk	206.50	-0.24	Moscow	385.64	5.77

Chicken eggs—price for 10: Average price for Russian Federation—R70.18

Ulyanovsk	26.52	32.60	Khabarovsk	178.74	12.28
Ufa	36.80	11.52	Komsomolsk-na-Amure	160.00	23.08
Kyzyl	38.82	35.07	Birbidzhan	160.00	14.84
Neftekamsk	43.00	6.97	Vladivostok	156.00	24.80
Sterlitamak	44.00	23.21	Sovetsk	150.00	68.92
Yoshkar-Ola	44.00	0.00	Yuzhno-Sakhalinsk	144.00	0.00
Ishimbay	44.03	24.70	Magadan	131.50	5.07
Syzran	45.64	-4.26	Petropavlovsk-Kamchatskiy	129.00	0.26
Orenburg	46.00	0.00	St. Petersburg	119.20	11.56
Serov	46.00	0.00	Surgut	104.00	38.67

Granulated sugar: Average price for Russian Federation—R124.44

Ulyanovsk	35.00	-3.53	Balakovo	200.00	
Gornyyak	40.00		Saratov	190.00	22.58
Novyy Oskol	41.00	0.00	Izhevsk	181.67	0.00
Barnaul	43.00		Groznyy	180.00	30.07
Belgorod	66.00	0.00	Novyy Urengoy	180.00	0.00
Shebekino	66.00	0.00	Arzamas	174.00	17.57
Omsk	66.00	0.00	St. Petersburg	171.20	-1.51
Orel	72.72	0.72	Yekaterinburg	170.59	3.21
Maykop	75.00	11.11	Perm	168.38	2.85

Cities With Maximum and Minimum Prices (As of 12/01/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/24/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate (percent)	City	Maximum price per product unit (rubles, kopeks)	Rate (percent)
Tambov	77.00	0.00	Bryansk	165.00	3.77
Rye-wheat bread: Average price for Russian Federation—R23.96					
Ulyanovsk	4.71	0.00	Apatity	65.28	53.60
Kamyshin	6.67	0.00	Novosibirsk	42.50	13.33
Rostov-na-Donu	8.88		Murmansk	41.25	0.00
Taganrog	10.00	0.00	Severodvinsk	40.00	-23.81
Voronezh	10.53	0.00	Vorkuta	37.50	0.00
Salekhard	11.76	0.00	Izhevsk	35.92	37.84
Ufa	13.04	0.00	Kemerovo	35.56	0.00
Ishimbay	13.04	0.00	Rybinsk	34.44	3.33
Sterlitamak	13.04	0.00	Tayshet	34.10	0.00
Vladikavkaz	14.00	0.00	Ukhta	33.30	7.04
Wheat bread made of first and second grade flour: Average price for Russian Federation—R29.92					
Makhachkala	6.00	0.00	Apatity	71.76	
Tyumen	6.67	0.00	Kemerovo	49.23	0.00
Volgograd	8.11	0.00	Angarsk	46.67	0.00
Kamyshin	8.11	0.00	Arkhangelsk	46.19	-4.74
Taganrog	10.00	0.00	Prokopyevsk	45.00	0.00
Shakhty	10.00	0.00	Yurga	44.00	0.00
Nalchik	10.00	0.00	Novokuznetsk	44.00	0.00
Rostov-na-Donu	10.67	0.00	Vladimir	44.00	0.00
Volgodonsk	10.67	0.00	Nakhodka	44.00	0.00
Ulyanovsk	10.67	0.00	Tuapse	43.00	0.00
Milled millet: Average price for Russian Federation—R40.97					
Volgodonsk	9.00	0.00	Nizhniy Tagil	110.00	116.66
Elista	10.00	0.00	Bryansk	72.00	
Orsk	11.50	0.00	Novosibirsk	67.27	4.13
Nakhodka	15.00	0.00	Tuapse	66.00	0.00
Samara	15.00		St. Petersburg	65.33	2.48
Tolyatti	15.00	0.00	Penza	65.17	0.00
Novyy Urengoy	16.00	0.00	Kopeysk	65.00	
Makhachkala	17.00		Yekaterinburg	62.41	1.48
Volgograd	18.00		Tyumen	61.00	0.00
Rostov-na-Donu	22.00	0.00	Angarsk	61.00	
Vermicelli from the highest grade of wheat: Average price for Russian Federation—R66.79					
Nalchik	24.00	0.00	Novokuznetsk	173.00	143.66
Yelets	25.00	0.00	Biysk	117.00	0.00
Lipetsk	28.53	1.89	Chistopol	111.00	0.00
Chita	33.00	-0.75	Kazan	111.00	0.00
Astrakhan	33.97	-28.74	Vladivostok	105.71	16.15
Kursk	34.84	9.66	Syzran	101.00	34.67
Izhevsk	36.00		Tomsk	100.00	0.00

Cities With Maximum and Minimum Prices (As of 12/01/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/24/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate (percent)	City	Maximum price per product unit (rubles, kopeks)	Rate (percent)
Yuzhno-Sakhalinsk	37.00	5.71	Novorossiysk	99.00	0.00
Ulan-Ude	38.00	8.57	Samara	96.00	-2.04
Pskov	39.00	0.00	Yoshkar-Ola	95.00	213.32
Potatoes: Average price for Russian Federation—R31.96					
Ishimbay	6.18	2.32	Magadan	90.44	10.51
Sterlitamak	8.90	7.36	Apatity	65.00	0.00
Rubtsovsk	9.33	0.97	Petropavlovsk-Kam-chatskiy	61.81	19.93
Neftekamsk	9.92	8.53	Norilsk	60.00	0.00
Gornyyak	10.00	0.00	Severodvinsk	50.00	0.00
Ulyanovsk	10.00	0.81	St. Petersburg	48.22	2.60
Naberezhnyye Chelny	10.00	24.38	Arkhangelsk	46.50	0.76
Chistopol	10.00	25.00	Moscow	45.62	18.80
Novyy Oskol	10.00	0.00	Yakutsk	45.00	-1.55
Biysk	10.55		Murmansk	45.00	0.00
Fresh green-head cabbage: Average price for Russian Federation—R26.90					
Ulyanovsk	8.07	-2.06	Magadan	100.00	4.65
Saratov	8.28	0.36	Yakutsk	95.00	0.00
Cherkessk	9.00	0.00	Apatity	68.00	0.00
Novocheboksarsk	9.00	0.00	Petropavlovsk-Kam-chatskiy	55.65	-1.54
Volgodonsk	9.58	1.70	Murmansk	55.00	35.80
Yoshkar-Ola	10.00	5.37	Irkutsk	51.00	-1.70
Nevinnomyssk	10.00	0.00	Novokuznetsk	50.00	66.67
Kamyshin	10.75	1.03	Severodvinsk	50.00	11.11
Rubtsovsk	11.00	7.84	Petrozavodsk	48.75	23.42
Yelets	11.20	-11.04	Angarsk	47.03	4.98
Yellow onions: Average price for Russian Federation—R35.47					
Izhevsk	15.80	-5.62	Norilsk	110.00	46.47
Yoshkar-Ola	16.90	12.89	Magadan	86.07	33.28
Rostov-na-Donu	17.00	17.24	Petropavlovsk-Kam-chatskiy	82.82	1.35
Taganrog	17.87	22.40	Yuzhno-Sakhalinsk	80.00	0.00
Groznyy	18.04	0.22	Apatity	70.00	0.00
Balakovo	18.86	-0.32	Moscow	62.80	4.04
Rubtsovsk	19.23	-0.52	Novyy Urengoy	56.00	0.00
Nalchik	19.60	-13.58	Yakutsk	55.00	0.00
Orenburg	19.92	-6.08	Vladivostok	49.13	-2.75
Biysk	20.00	-28.57	Chita	49.00	1.18
Apples: Average price for Russian Federation—R97.01					
Yelets	23.57	47.31	Magadan	464.32	121.10
Tula	31.12	45.49	Petropavlovsk-Kam-chatskiy	300.00	25.06

Cities With Maximum and Minimum Prices (As of 12/01/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/24/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate (percent)	City	Maximum price per product unit (rubles, kopeks)	Rate (percent)
Orel	31.97	28.24	Yakutsk	261.11	-7.46
Novomoskovsk	33.17	18.04	Yuzhno-Sakhalinsk	258.33	3.33
Kamyshin	33.33	2.78	Nakhodka	231.50	19.74
Novyy Oskol	35.00	0.00	Vladivostok	220.33	19.83
Naberezhnyye Chelny	40.00	-20.00	Abakan	180.00	0.00
Chistopol	40.00	0.33	Komsomolsk-na-Amure	171.57	-31.37
Ryazan	40.00	11.64	Birobidzhan	160.00	-0.65
Kazan	40.37	5.65	Khabarovsk	158.75	-0.24

Tobacco items—price per pack, filter cigarettes: Average price for Russian Federation—R91.29

Norilsk	30.00	0.00	Surgut	250.00	0.00
Novomoskovsk	41.50	2.04	Shakhty	220.00	0.00
Volgodonsk	42.70	1.33	Murmansk	200.00	0.00
Yoshkar-Ola	45.05	0.00	Prokopyevsk	200.00	0.00
Divnogorsk	50.00	0.00	Novokuznetsk	200.00	5.26
Orel	52.00	0.00	Magadan	190.30	6.59
Yelets	53.30	0.00	Petropavlovsk-Kamchatskiy	190.00	5.56
Tuapse	55.00		Armavir	180.00	0.00
Voronezh	55.00	0.00	Yuzhno-Sakhalinsk	170.00	0.00
Rostov-na-Donu	55.00	0.00	Makhachkala	160.00	0.00

Nonfood Consumer Goods

Two-piece suit, wool blend: Average price for Russian Federation—R4,837.16

Kemerovo	2,300.00	0.00	Orehovo-Zuyevo	15,000.00	19.62
Saransk	2,355.00	4.43	Moscow	12,053.26	7.28
Saratov	2,465.00	-14.21	Orel	12,000.00	12.15
Elista	2,525.00	0.00	Norilsk	11,000.00	0.00
Vologda	2,621.67	-27.88	Novyy Urengoy	9,600.00	0.00
Nizhniy Tagil	2,642.00	-0.02	Obninsk	8,125.00	12.46
Yurga	2,730.00	9.20	St. Petersburg	8,093.00	2.78
Yaroslavl	2,746.00	-1.44	Chita	7,840.00	120.40
Penza	2,800.00	0.00	Tomsk	7,550.00	-0.68
Naberezhnyye Chelny	2,875.00	0.00	Krasnodar	7,264.68	0.00

Women's dress, wool blend: Average price for Russian Federation—R1,227.44

Nevinnomyssk	428.00		Arzamas	3,000.00	101.34
Saransk	562.00	0.00	Petropavlovsk-Kamchatskiy	2,624.00	6.56
Chistopol	580.00		Moscow	2,407.28	4.83
Kamyshin	600.00	0.00	Shakhty	2,300.00	36.26
Yaroslavl	600.00	5.45	Kazan	2,280.00	116.73
Petrozavodsk	611.00	-32.82	Perm	2,255.00	2.04
Cherkessk	670.00	0.00	Novyy Urengoy	2,250.00	14.80

Cities With Maximum and Minimum Prices (As of 12/01/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/24/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate (percent)	City	Maximum price per product unit (rubles, kopeks)	Rate (percent)
Naberezhnyye Chelny	685.00	0.00	Astrakhan	2,070.20	-17.14
Tver	693.00	33.53	Salekhard	2,035.00	34.77
Khabarovsk	719.50	-18.02	Abakan	1,851.00	15.59
Men's socks, cotton: Average price for Russian Federation—R61.67					
Rybinsk	31.00	-22.50	Kemerovo	200.00	0.00
Kazan	34.00	0.00	Norilsk	180.00	2.86
Naberezhnyye Chelny	34.00	30.77	Rostov-na-Donu	123.00	0.82
Sykt'ykar	34.17	0.50	Angarsk	120.00	2.78
Perm	36.00	0.00	Tayshet	115.50	27.62
Sovetsk	37.50	0.00	Neftekamsk	105.00	0.00
Novyy Oskol	38.40		Orenburg	100.00	28.21
Novorossiysk	39.00	4.00	Samara	100.00	0.00
Birobidzhan	39.00	1.30	Taganrog	96.50	0.00
Novomoskovsk	39.00	0.00	Armavir	95.00	2.15
Children's socks, cotton: Average price for Russian Federation—R26.82					
Vologda	11.00	-31.25	Rostov-na-Donu	123.00	
Pskov	12.50	-52.38	Angarsk	70.00	-0.36
Smolensk	12.50	-20.23	St. Petersburg	57.00	0.00
Tambov	13.00	0.00	Tomsk	55.00	0.00
Apatity	13.50	0.00	Tayshet	50.50	24.69
Chistopol	14.67	0.00	Kyzyl	50.00	11.11
Orel	15.00	0.00	Orehovo-Zuyevo	50.00	0.00
Taganrog	15.00	0.00	Makhachkala	49.92	0.00
Naberezhnyye Chelny	15.00	7.14	Yelets	48.00	
Izhevsk	15.50	0.00	Armavir	47.00	0.00
Men's low shoes, fashion, with natural leather sole: Average price for Russian Federation—R4,211.02					
Naberezhnyye Chelny	750.00	0.00	Ulan-Ude	15,000.00	114.29
Birobidzhan	998.00	0.00	Neftekamsk	15,000.00	7.14
Vladimir	1,000.00	10.13	Yoshkar-Ola	11,000.00	0.00
Blagoveshchensk	1,432.67	0.00	Rubtsovsk	9,000.00	0.00
Elista	1,500.00	0.00	Kurgan	8,216.67	79.93
Cheboksary	1,530.25	6.25	Ishimbay	8,000.00	0.00
Belgorod	1,875.00	0.00	Orel	7,800.00	
Biysk	1,885.00	0.00	Shakhty	7,000.00	0.00
Novorossiysk	1,900.00	5.56	Orenburg	7,000.00	100.00
Kemerovo	2,000.00	0.00	Arkhangelsk	6,733.33	5.21
Women's summer shoes, fashion, with high (or medium) heel, with natural leather sole or imitation leather: Average price for Russian Federation—R3,310.91					
Voronezh	740.00	0.00	Neftekamsk	7,500.00	0.00
Rostov-na-Donu	850.00	0.00	Sterlitamak	7,090.00	

Cities With Maximum and Minimum Prices (As of 12/01/92), Taking City Market Prices Into Account, Rate of Increase (+) or Decrease (-) as a Percentage of Value as of 11/24/92 (Continued)

City	Minimum price per product unit (rubles, kopeks)	Rate (percent)	City	Maximum price per product unit (rubles, kopeks)	Rate (percent)
Orsk	1,077.00	0.00	Pskov	6,300.00	168.09
Izhevsk	1,080.00	-50.91	Orekhovo-Zuyevo	6,000.00	0.00
Orenburg	1,200.00	-45.45	Kaliningrad	6,000.00	
Vorkuta	1,261.00	-66.30	Barnaul	6,000.00	20.00
Kaluga	1,431.25	8.02	Petropavlovsk-Kamchatskiy	5,287.50	3.38
Stavropol	1,500.00	0.00	Chita	5,275.00	25.86
Obninsk	1,500.00	0.00	Khabarovsk	5,271.25	54.74
Miass	1,500.00	0.00	Ufa	5,077.38	7.82

Color television, non-portable (screen diagonal 61 cm): Average price for Russian Federation—R54,281.63

Yuzhno-Sakhalinsk	25,300.00		Petropavlovsk-Kamchatskiy	90,000.00	0.00
Nakhodka	35,000.00	0.00	Kaluga	72,250.00	48.62
Angarsk	35,950.00		Krasnodar	71,250.00	23.06
Sterlitamak	39,900.00		Severodvinsk	69,600.00	
Salekhard	40,000.00	0.00	Vladikavkaz	68,750.00	22.22
Groznyy	40,000.00	-27.27	Kemerovo	67,000.00	30.73
Belgorod	45,000.00		Rostov-na-Donu	66,000.00	6.45
Volgograd	45,000.00	0.00	Abakan	65,454.00	9.09
Kostroma	45,000.00	-4.26	Yakutsk	65,000.00	0.00
Samara	45,000.00	0.00	Tver	63,000.00	14.55

Cost of Basic Food Product Selection (as of 12/01/92), Taking City Market Prices Into Account

City	Selection Cost (rubles, kopeks)	Percentage of Change as Compared With Previous Registration
Magadan	1,511.54	11.19
Murmansk	1,335.44	7.88
Petropavlovsk-Kamchatskiy	1,267.54	9.22
Apatity	1,258.34	22.15
Yuzhno-Sakhalinsk	1,222.25	4.33
Khabarovsk	1,202.77	0.64
Novokuznetsk	1,183.02	12.59
Vladivostok	1,149.95	10.88
Nakhodka	1,148.06	1.83
Komsomolsk-na-Amure	1,097.31	-18.18
Birobidzhan	1,075.94	10.29
Severodvinsk	1,045.73	
Chelyabinsk	1,045.68	2.91
Prokopyevsk	1,038.40	2.93
Tomsk	1,038.26	20.05

Cost of Basic Food Product Selection (as of 12/01/92), Taking City Market Prices Into Account (Continued)

City	Selection Cost (rubles, kopeks)	Percentage of Change as Compared With Previous Registration
Perm	1,034.32	9.30
St. Petersburg	1,016.74	2.05
Sykt'yvkar	997.87	4.17
Arkhangelsk	994.08	6.62
Vladimir	971.87	3.97
Blagoveshchensk	971.69	5.31
Shakhty	968.06	2.37
Kaliningrad	967.35	8.95
Novorossiysk	963.53	6.75
Novosibirsk	949.64	10.30
Sovetsk	947.80	23.41
Kemerovo	944.99	1.95
Moscow	944.67	7.25
Izhevsk	938.81	10.69
Yakutsk	936.36	2.15

**Cost of Basic Food Product Selection (as of 12/01/92),
Taking City Market Prices Into Account (Continued)**

City	Selection Cost (rubles, kopeks)	Percentage of Change as Com- pared With Pre- vious Registration
Ivanovo	930.04	2.81
Petrozavodsk	929.87	12.37
Angarsk	927.92	3.55
Cherepovets	914.42	1.14
Novyy Urengoy	903.01	
Kurgan	902.17	7.66
Yaroslavl	891.22	4.99
Vorkuta	885.98	1.48
Makhachkala	883.33	3.80
Novgorod	880.83	9.22
Irkutsk	874.46	5.92
Ukhta	871.93	2.31
Armavir	870.13	1.47
Shuya	867.28	2.56
Krasnoyarsk	861.29	4.21
Chita	858.32	7.77
Yekaterinburg	853.19	3.90
Smolensk	847.38	15.43
Rybinsk	826.62	5.39
Serov	826.44	5.87
Yurga	819.33	
Vologda	818.09	-1.10
Kaluga	813.20	3.73
Arzamas	811.35	21.23
Salekhard	807.02	4.73
Tyumen	803.03	-9.89
Pskov	803.03	5.80
Stavropol	802.59	-6.37
Obninsk	802.23	7.00
Tayshet	797.35	4.85
Saratov	796.61	17.44
Dzerzhinsk	793.08	5.48
Vladikavkaz	791.58	5.06
Kopeysk	788.67	5.12
Divnogorsk	787.54	0.58
Ulan-Ude	787.50	-1.41
Tuapse	787.09	2.73
Biysk	783.64	-8.03
Kirov	779.26	5.94
Nizhniy Tagil	775.49	5.05
Krasnodar	774.87	6.13

**Cost of Basic Food Product Selection (as of 12/01/92),
Taking City Market Prices Into Account (Continued)**

City	Selection Cost (rubles, kopeks)	Percentage of Change as Com- pared With Pre- vious Registration
Nizhniy Novgorod	767.22	4.68
Bryansk	765.91	0.86
Berdsk	765.30	7.23
Samara	759.75	5.78
Abakan	751.46	5.30
Lipetsk	749.82	7.90
Kursk	747.96	6.16
Syzran	747.76	1.78
Balakovo	746.54	12.47
Tolyatti	742.19	9.18
Ryazan	740.41	5.24
Tver	727.56	4.30
Barnaul	725.07	3.42
Kostroma	723.46	5.84
Norilsk	721.44	33.75
Orenburg	714.52	2.85
Novomoskovsk	712.12	4.23
Gorno-Altaysk	705.13	1.66
Saransk	697.00	3.85
Nevinnomyssk	696.95	5.55
Cheboksary	694.78	10.76
Orsk	694.65	3.96
Belgorod	692.69	5.24
Tula	691.40	5.12
Maykop	686.06	4.25
Kirovo-Chepetsk	685.18	-2.04
Omsk	679.64	7.48
Cherkessk	677.07	2.65
Nalchik	671.44	3.55
Rostov-na-Donu	666.83	7.04
Penza	652.71	4.81
Shebekino	652.56	0.89
Rubtsovsk	644.83	4.47
Elista	643.86	
Astrakhan	637.23	6.42
Kyzyl	636.13	-13.44
Kazan	636.11	16.56
Ufa	625.56	0.29
Volgograd	624.55	2.07
Novocheboksarsk	620.37	
Yoshkar-Ola	620.36	13.14

**Cost of Basic Food Product Selection (as of 12/01/92),
Taking City Market Prices Into Account (Continued)**

City	Selection Cost (rubles, kopeks)	Percentage of Change as Com- pared With Pre- vious Registration
Taganrog	619.98	7.28
Neftekamsk	619.65	3.05
Gornyyak	618.08	
Naberezhnyye Chelny	614.32	28.42
Volgodonsk	613.81	12.50
Voronezh	611.47	1.92
Tambov	607.43	4.88
Chistopol	603.94	20.92
Novyy Oskol	601.35	4.57
Sterlitamak	597.26	7.86
Ishimbay	589.15	2.38
Kamyshin	583.39	-1.63
Orel	562.49	5.79
Yelets	538.81	5.90
Ulyanovsk	406.20	16.59
Russian Federation	844.41	8.59

Cost estimates of the basic food product selection were made on a per-week basis for 19 representative products, proceeding from the minimum consumer budget calculated per male of work-eligible age, as developed by the former Goskomtrud [State Committee for Labor and Social Problems] and used for the first time in calculating a minimum consumer budget in the 500 Days program. These products (consumption volumes are indicated on a per-year basis) include: rye bread (92 kg), wheat bread (86.7 kg), millet (18.1 kg), vermicelli (7.3 kg), sugar (24.8 kg), vegetable oil (10 kg), butter (3.6 kg), beef (42.0 kg), boiled sausage (2.2 kg), salami (1.1 kg),

milk (184.3 liters), sour cream (4.2 kg), hard cheese (2.0 kg), eggs (183), potatoes (146 kg), fresh cabbage (29.8 kg), onion (10.2 kg), apples (11 kg), and cigarettes (96 packs).

This listing was chosen by virtue of the relative stability seen in availability of these products for sale, enabling a well-founded analysis to be made of the cost dynamics of the product selection.

Only those cities were taken into consideration where not more than three items from the listing were absent during the given or preceding price registration, since it is assumed that otherwise, the calculated data would not provide an objective cost-of-living picture.

If the item was absent during the 12/1/92 registration, its price was substituted in the calculation by the value observed during the preceding registrations.

Composition of Maritime Fleet Profiled

*934A0524C St. Petersburg SUDOSTROYENIYE
in Russia No 1, Jan 92 pp 39-41*

[Article: "Data on the Composition of the USSR Maritime Fleet"]

[Text] According to the situation on 1 July 1991, the maritime fleet of the Soviet Union on the USSR Register consisted of 8,134 self-powered ships (gross tonnage 100 reg. t and over) with a total gross tonnage of 26,977,301 reg. t and a deadweight of 29,854,572 t.

The largest number of ships have diesel and diesel-electric power units—7,519 and 540; ships with steam piston, steam turbine, nuclear-powered, gas turbine and steam turbine-electrical units number, respectively, 48, 11, 8, 7 and 1.

The distribution of ships by type of power units is given in the table.

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RUSSIA

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Distribution of Ships by Types of Power Units

Types of Ships	Steam Piston			Steam Turbine			Steam-turbine-electric			Gas Turbine		
	quantity	gross tonnage, weight, reg. t.	dead weight, t.	qty	gross tonnage, weight, reg. t.	dead weight, t.	qty	gross tonnage, weight, reg. t.	dead weight, t.	qty	gross tonnage, weight, reg. t.	dead weight, t.
Tankers	--	--	--	7	564,993	952,385	--	--	--	--	--	--
Tanker-Chemical Carriers	--	--	--	--	--	--	--	--	--	--	--	--
Chemical Carriers	--	--	--	--	--	--	--	--	--	--	--	--
Gas Carriers	--	--	--	--	--	--	--	--	--	--	--	--
Other tankers	--	--	--	--	--	--	--	--	--	--	--	--
Tankers and Petroleum-	--	--	--	--	--	--	--	--	--	--	--	--
Ore Carriers	--	--	--	--	--	--	--	--	--	--	--	--
Ore Carriers and	--	--	--	--	--	--	--	--	--	--	--	--
Bulkers	--	--	--	--	--	--	--	--	--	--	--	--
General Cargo Ships	--	--	--	--	--	--	1	3,041	3,135	--	--	--
single-deck	--	--	--	--	--	--	--	--	--	--	--	--
multi-deck	1	7,348	10,060	--	--	--	--	--	--	5	86,536	96,485
Cargo-Passenger	--	--	--	--	--	--	--	--	--	--	--	--
Container, Barges,	--	--	--	--	--	--	--	--	--	--	--	--
Docks	--	--	--	--	--	--	--	--	--	--	--	--
Fishing Bases,	--	--	--	--	--	--	--	--	--	--	--	--
Fish-Transport Ships	9	80,298	75,239	1	26,400	22,110	--	--	--	--	--	--
Fishing boats	1	647	448	--	--	--	--	--	--	--	--	--
Passenger (incl. those	--	--	--	2	46,387	12,296	--	--	--	1	344	37
without hammocks)	--	--	--	--	--	--	--	--	--	1	5,001	1,848
Support, Service Ships	7	2,897	1,762	--	--	--	--	--	--	--	--	--
Tugboats	26	7,640	3,210	--	--	--	--	--	--	--	--	--
Dredgers	--	--	--	--	--	--	--	--	--	--	--	--
Icebreakers	--	--	--	--	--	--	--	--	--	--	--	--
Scientific Research	1	3,898	2,254	1	32,291	31,300	--	--	--	--	--	--
Others	3	717	506	--	--	--	--	--	--	--	--	--
Total	48	103,445	93,479	11	670,071	1,018,091	1	3,041	3,135	7	91,881	98,370

Distribution of Ships by Types of Power Units (continued)

Types of Ships	Nuclear-powered			Diesel			Diesel-electric			Total		
	quantity	gross tonnage, reg. t.	dead weight, t.	qty	gross tonnage, reg. t.	dead weight, t.	qty	gross tonnage, reg. t.	dead weight, t.	qty	gross tonnage, reg. t.	dead weight, t.
Tankers	--	--	--	349	3,287,891	4,968,466	--	--	--	356	3,852,884	5,920,851
Tanker-Chemical Carriers	--	--	--	2	26,368	45,230	--	--	--	2	26,368	45,230
Chemical Carriers	--	--	--	4	13,019	21,572	--	--	--	4	13,019	21,572
Gas Carriers	--	--	--	8	173,360	189,520	--	--	--	8	173,360	189,520
Other tankers	--	--	--	6	16,955	20,597	--	--	--	6	16,955	20,597
Tankers and Petroleum-												
Ore Carriers	--	--	--	59	1,012,733	1,728,890	--	--	--	59	1,012,733	1,728,890
Ore Carriers and												
Bulkers	--	--	--	169	3,072,473	4,933,714	--	--	--	169	3,072,473	4,933,714
General Cargo Ships												
single-deck	--	--	--	866	2,666,811	3,302,021	--	--	--	867	2,669,852	3,305,156
multi-deck	--	--	--	612	4,844,744	5,992,685	12	120,681	116,917	630	5,059,369	6,216,148
Cargo-Passenger	--	--	--	27	249,220	53,623	32	91,529	36,210	59	340,749	89,833
Container, Barges,												
Docks	1	38,226	33,980	68	940,149	946,139	--	--	--	69	978,375	980,119
Fishing Bases,												
Fish-Transport Ships	--	--	--	503	2,627,727	2,266,969	87	344,783	291,221	600	3,079,208	2,655,539
Fishing boats	--	--	--	2,706	3,701,174	1,943,659	56	149,617	103,736	2,763	3,851,438	2,047,843
Passenger (incl. those												
without hammocks)	--	--	--	266	305,074	67,765	3	5,578	1,226	272	357,383	81,324
Support, Service Ships	--	--	--	125	201,046	111,005	4	4,256	1,841	137	213,200	116,456
Tugboats	--	--	--	556	190,709	83,643	52	51,971	19,930	634	250,320	106,783
Dredgers	--	--	--	24	68,976	67,215	48	83,417	40,739	72	152,393	107,954
Icebreakers	7	132,602	23,995	3	17,638	6,738	28	172,200	86,854	38	322,440	117,587
Scientific Research	--	--	--	271	434,843	173,498	14	45,726	27,513	287	516,758	234,565
Others	--	--	--	895	691,400	787,267	204	345,967	147,118	1,102	1,038,084	934,891
Total	8	170,828	57,975	7,519	24,542,310	27,710,217	540	1,415,725	873,305	8,134	26,997,301	29,854,572

REGIONAL AFFAIRS

Aftermath of Government Crisis in Krasnodar

934C0657A Moscow SOVETSKAYA ROSSIYA
in Russian 31 Dec 92 p 2

[Article by Svetlana Shipunova: "Battles of Local Importance"]

[Text] The latest news from the Kuban.

I hasten to report the latest news of the departing year. Nikolay Yegorov has just now become the new governor of the Kuban. He was named to this post by the President with the consent of a session of the kray soviet.

Why did the Krasnodarskiy Kray soviet not make use of the right that the Seventh Congress of People's Deputies of Russia granted to those territories where a lack of confidence against the chiefs of administration has been expressed and the congress has not scheduled national elections?

I am going to the kray soviet session on a cold December morning. The kray's sidewalk is slippery, I have to step carefully and I shall be late. In the city the New Year has already blown in: Spruce trees and champagne are being sold. The area before the "white house" is strangely empty, this time there are no pickets—neither Cossacks nor veterans. Is it the cold? Or do people have other concerns now?

The year has ended and, it seems, the power crisis in our kray that dragged on for many months has ended. Everyone wants stability and harmony.

On the high steps at the side—the deputies'—entrance, I encounter a group of colleagues from a neighboring rural rayon and I ask, what kind of a mood are they in. And although there are several serious questions on the day's agenda, it is clear to all what it is all about.

"Just the elections!" they said.

Deputies from the distant regions could be delayed by the icy conditions, and that means that making a quorum will be "tough." But no, the hall is full, as never before. Even the rows for invited guests are clogged to capacity. The kray's whole Nomenklatura is here. And how! The question about new leadership for the kray is being decided, and that means also the fate of many of those sitting here.

The heart is pumping harder, as it does before a battle. It seems that this is the sixth distinct session this year, and each time we see action. Who is with whom? Within the soviet itself there are no major disagreements, not even a sharp demarcation into "leftists" and "rightists," as there is in, let's say, the Russian Congress. For the past year here the kray soviet "has been at war" with the kray administration. During each session this grand old-fashioned hall has been turned into a real field of battle. They have fought over the prices for bread and over who

will have charge of nonbudgetary and foreign-currency accounts, and they have met in heated fights over the matter of ownership and privatization and over the administration's observance of the laws....

As a result, the soviet has won. Today the former governor is not in this hall. The orphaned "government," although it is keeping a stiff upper lip, is waiting with concern for decisions on its fate.

And what about the winner—this body of almost 300 heads, which buzzes like a beehive and is called the soviet, which has survived for three years many sharp turns in its fate? It seems today that it has not lost much. While it was struggling with Dyakonov, it knew precisely what it wanted. But what is next? Seemingly there is no unity on this question.

As coordinator of the deputy group, "For Realism in Politics," which came out with the recommendation that elections be conducted, I managed to talk with more than half a hundred deputies prior to the session. Everyone is for the elections. More than a third of the deputies supported our faction's proposal. But now they have come to the session—and I am not sure that all of them will be firm in that stand. So many times it has happened: One and the same deputy says one thing privately, something else at a faction meeting, and a third, completely different, thing at the session.

From the first minutes of the session, the struggle unfolded essentially between our faction and the presidium, that is, the leadership of the kray soviet. Our job was to get decisions on the scheduling of elections for chief of the administration, and their job was not to allow such a decision to be adopted.

The arguments of the first side. Elections are needed because the practice of naming a governor "from above" has not justified itself. Only a leader elected by all the people will have a realistic potential for protecting the populace and acting in its interests. There is a decision of a kray soviet session that was adopted back in June, which spoke of the need to hold elections not later than December 1992. There is the appeal of the kray soviet to the Supreme Soviet of Russia and the Seventh Congress of People's Deputies asking that elections be scheduled. There are, finally, the results of the populace's demand in November of this year, when more than 80 percent of the voters expressed themselves as being in favor of holding elections. Twice committees and commissions of the kray soviet have met, where a majority of the deputies also confirmed that they are for elections.

People's Deputy of Russia Sergey Glotov explained the legal basis for this matter precisely: Since 1 December of this year, when the President's additional powers expired, the RF [Russian Federation] law, "Elections of Chiefs of Administration," Article 9 of which permits the kray soviet to schedule elections independently, has gone into effect.

Is this convincing?

The arguments of the other side. Elections are not necessary, since they can destabilize the situation in the kray. Large amounts of money will have to be spent on them, people will not be able to come to the polls, and the elections will not take place. They will have to wait for at least two months, and all this time the kray will be in anarchy. The Seventh Congress decree on this matter will take effect only after four days. As a last argument, R. Khasbulatov's letter to the session, in which for some reason or other he asked the deputies to refrain from holding elections, was read out.

At the peak of the discussion, when it became evident that the session nevertheless was inclined to vote for elections, it was reported from the presidium: Still another document has been received by fax from Moscow—a letter by V. Shumeyko in which he, at the direction of the President, asks that the session agree to the designation of N. Yegorov as chief of the administration.

The hall groaned. I heard a voice behind me: Why all the strife then if everything has already been decided?

It must be explained here that Yegorov's candidacy did not, of course, surface by chance. The Minor Soviet named him, among three candidates, to the President a long time before the session, and they were waiting for a decision, but there was none. The presidium prolonged to the maximum the term of the session and even discussion of the question at the session itself in order to have time to get a draft of the edict itself. Of course, kray soviet Chairman A. Zhdanovskiy was well aware of the document that was being prepared. The game that the presidium was playing all that time was exposed. And, naturally, this simply insulted many deputies. Would it not have been more honorable to tell all the deputies right from the very start?

Nevertheless, there has been remarkable progress in the President's mutual relations with the region. Whereas he had named Dyakonov without asking anyone about it, on this occasion he not only considered the opinion of the kray soviet but he also received, after asking, the session's agreement on naming one of the candidates proposed to him.

Such agreeability touched the hearts of some deputies. And the session surrendered. The question of elections was simply put to one side without even being put to a vote. Right away they moved over to a discussion of the President's recommendation. This business was taking place toward the evening, when the deputies were beginning to think about strong tea in a warm room at the hotel. So they held, as usual, an open vote and confirmed their agreement to the nomination by an overwhelming majority. The next day Yeltsin signed the edict.

I have an ambiguous attitude toward what happened at this session. I am sympathetic toward Yegorov. He is barely 40, he has the typical "soviet" biography: Chairman of a kolkhoz, then chairman of the ispolkom in a large agricultural rayon, and deputy chairman of the

kray's agroindustry.... In August of 1991 he proved to be among the few representatives of the old Nomenklatura on Dyakonov's team and, at the same time, he held the post of chief of the government.

However, Yegorov had not worked harmoniously with the democrats and in January he tendered his resignation. In the spring he came out with an open letter to Dyakonov demanding that he leave quickly, and voluntarily. From this moment the confrontation became open, and soon he had to leave executive entities entirely. In rescuing Yegorov, the kray soviet was selecting its deputy chairman of the soviet.

"The battle of titans," which the Kuban followed with rapt attention, was completed in the best tradition of the Nomenklatura. Dyakonov was removed, and Yegorov took his place.

It should be said that, of all the possible options for the appointment, this one was optimal. An experienced practitioner, who has passed through a good school of administration, he is a man of balance and politically flexible. He has declared several times that he does not want to make the reforms at the price of destroying the kray's economic potential and of bankrupting the population. That is good!

Yegorov is a compromise figure in a certain sense, a sort of Chernomyrdin, who satisfied the Seventh Congress. A much wider stratum stands behind him indisputably—the agrarians, a substantial portion of the Cossacks, the deputies' body, and the Kuban Citizens' Union bloc. This is a lot!

But they, of course, are not all the people, they are not the whole population. To win at the elections, if they are to be held, would not be so simple for him. Just like, incidentally, any of the other current leaders.

And so, has the Kuban's power crisis, which has been going on all this year, finally been settled?

Perhaps yes. One can expect that there will be no confrontation of the soviet with the administration, and this is the main thing. One can hope that personnel will be selected from now on not in accordance with their political but with their professional credentials. It can be expected that setting matters right gradually will start.

All this is comforting.

But with all this, I cannot call this solution to the crisis a victory for the kray soviet. The soviet lost, to a great extent. It lost as a representative of the interests of the voters and as a reflector of public opinion, for it crudely ignored this opinion. It had a single chance for a legal democratic solution of the problem. And it did not use it.

...I am returning from the session after daybreak

A well-known figure with a spruce tree unexpectedly rises up before me out of the darkness.

"Well, what did you decide there? Will there be elections?"

"No," I say, "there won't be."

"How come, why?"

"Oh!" I wave my hand. "It's a long story. It's better if you tell me, what is the price of spruce now?"

Kabardino-Balkar Executive To Follow RF Model

934C0655A Moscow NEZAVISIMAYA GAZETA
in Russian 30 Dec 92 p 3

[Article: "Kabardino-Balkaria"]

[Text] The structure of KBR's [Kabardino-Balkaria Republic's] executive branch will follow the Russian pattern.

This decision was adopted, according to a report of the director of the KBR president's press service, Vladimir Kudayev, at a meeting of KBR President Valeriy Kokov, the chief of the administration, and members of the republic's cabinet of ministers.

This meeting completed a series of the KBR President's consultations with members of the government and representatives of the republic's political parties and movements on problems of reorganizing the structure of government bodies of the Kabardino-Balkaria administration.

Moscow Tally of Persons Disappeared in Osset-Ingush Conflict Contested

934C0655B Moscow NEZAVISIMAYA GAZETA
in Russian 29 Dec 92 p 3

[Article: "North Caucasus"]

[Text] According to a report of the press center of the Temporary Administration for the Territory of North Ossetia and Ingushetia, the state of ChP [emergency] has been observed on the whole. During the 27th-28th, 66 people were detained for curfew violation and 19 were charged with crimes, and 884 motor-transport vehicles were examined, of which 25 were held.

Members of the Mixed Commission for Searching for Hostages and Missing Persons in the Territory of North Ossetia and Ingushetia, after examining 30 suggested locations and their contents, found no one. Also subjected to inspection were so-called filtering points at which violators of the curfew and the state of emergency are kept. But even this check yielded nothing.

Today, the mixed commission for searching for hostages and persons considered missing has been given petitions to search for 227 citizens of Ossetian nationality, 357 for searches for Ingushetians.

Move for Return of General Aushev as Provisional Administration Head Noted

934C0655C Moscow NEZAVISIMAYA GAZETA
in Russian 29 Dec 92 p 3

[Article: "Ingushetia"]

[Text] In Nazran a group has been created that is collecting signatures for the return of General Ruslan Aushev to the post of Chief of the Temporary Administration of Ingushetia.

Kursk Oblast Administration, Soviet Relations Status Noted

934C0655D Moscow ROSSIYSKAYA GAZETA
in Russian 25 Dec 92 p 2

[Article by Viktor Chemodurov (Kursk): "A 'Battle of Kursk' Is Not Planned"]

[Text] The problem of fine tuning the legislative and executive branches of power was tackled vigorously at the Seventh Congress if only because it existed urgently in life.

One cannot say that the relationships that have prevailed up to now between the oblast's soviet and the Kursk Oblast administration are ideally smooth. The strings that unite them started to vibrate several times during the year: first the deputies (the reason is not understood) stir up the question of transferring the administrative building to their books, then the administration protests certain decisions of the soviet....

But now the Congress is over.... At a meeting with rayon supervisors, one of Kursk's People's Deputies of Russia, I. Bolotov, made a slip of the tongue: The Congress, he said, has given an example of confrontation, and I very much fear that this will grip the provinces....

"No," oblast soviet chairman V. Likachev categorically rejects that possibility. "At the next session we shall, of course, talk about what is being done wrong in the oblast and what must be done, and we shall work together to make corrections. But all this, I assure you, will not go beyond the scope of civilized, constructive work. It seems to me that he who fights with the soviets is his own enemy. Our administration has not been at war with the oblast soviet, and so it is that the soviet has no need to cut it too short. Moreover, we have before us the live example of Lipetsk, where stiff opposition of the branches of government has, it can be said, wrecked the oblast. I emphasize once again: There should not be and there will not be a 'Battle of Kursk.'"

In developing this thought, oblast administration chief V. Shuteyev added:

"Enough time and effort have been paid to clarifying who said what and how who behaved, at all levels. All this must be consigned to the past, discarded. And so it

is with the soviet: The decisions that they have made must be separated from the emotions that raged over them."

Moscow's Civil Defense Chief of Staff Details Functions

934C0647A Moscow NEZAVISIMAYA GAZETA
in Russian 26 Dec 92 p 6

[Article by Vladimir Gurvich: "Can Our Beloved City Sleep Peacefully? Colonel Igor Kuzyayev, Chief of Staff of Civil Defense for Moscow, Answers Yes"]

[Text] On Soviet Square, next to the monument to Yuriy Dolgorukiy, there is a barely noticeable door. Once it is opened, it is possible to go down to a depth of 40 meters. This is where the operational center of the directing staff of Moscow's Civil Defense is located.

In the 1930s there were plans to build the "Sovetskaya" metro station on this spot. But the threat of war changed these plans, and it was decided to use the foundation pit that had already been dug for needs of the command post of the air defense staff.

Today, persons from the Civil Defense staff carry on a twenty-four hour per day watch at the control panel. As before, Civil Defense has the responsibility of ensuring the safety of the population from weapons of mass destruction. Now, however, it works more often on different problems, such as taking care of various disasters.

"I think," says Igor Kuzyayev, "that today a civilian suit fits us better than a military uniform since that would be a better reflection of our present day functions. We deal with matters that may be dangerous, but at least, as a rule, they are peaceful. Here is one of the most recent examples. Residents of an apartment house discovered a sack at the entrance with... prairie vipers. Many of them had already crawled all over the staircase. We had to get some snake experts to catch them all over the neighborhood. There are quite a few such abnormal situations, so we need experts in the most varied civilian specialties.

"We deal with everything that burns, explodes, poisons the atmosphere or the earth, or what simply smells bad. We have a list of practically every potentially dangerous site, and there are more than enough of them in Moscow. Moreover, many people do not even know what can present a real danger. Take for example industrial refrigerators. Each one has a large quantity of ammonia inside. If this ammonia gets to the outside, it poses most serious consequences for a person, up to and including death. Meanwhile, 60-70 percent of refrigeration equipment in this city is worn out...."

[Reporter] In order for the city to feel at least relatively safe, a system is needed which would deal with these problems. How far have you progressed in creating such a system?

"Right now we have five operational response groups. They are on duty around the clock. These groups include medics, chemists, radiologists, and rescue personnel. They all went through a rigorous selection process. We pay them quite well, because this is, in essence, pay for taking risks. When our teams go out to where something has happened, thanks to an efficiently organized communications system, we can always—if need be—get the assistance of any municipal service within minutes."

[Reporter] How often do extreme cases occur?

"Often. We do not even report them always, so as not to worry the Muscovites too much. We are constantly finding shells and bombs. Practically every week there are two-three large emergencies and several small ones.

"We are required not only to do away with the aftermath of disasters, but also to predict what might happen in the future if preventive measures are not taken. Let's take medical protection. A great number of rats have appeared recently in Moscow, and they are active carriers of many diseases. And who can tell how this may affect the population? The city is not kept very clean. What consequences will this have next summer, in the heat, when garbage begins to decompose and rot? In order to determine this, our experts have to dig around in the garbage to see what is there."

[Reporter] The fact that Civil Defense is undergoing conversion is heartening. But I still think you should constantly be thinking about saving the population from annihilation during military hostilities. Tell me, what percentage of Muscovites can be accommodated in bomb shelters?

"Twenty percent. But this is in case of a surprise attack. If, however, we have at least a few hours to prepare, this figure would increase significantly. After all, each subway station has been built in such a way that it can be used as a shelter. This is why they are installing autonomous life-support systems there."

Luzhkov Reproves Moscow Property Committee's Privatization Program

934C0647B Moscow NEZAVISIMAYA GAZETA
in Russian 24 Dec 92 p 2

[Article by Vladimir Gurvich: "Moscow Property Committee Is Far From the People: The Mayor of Moscow Criticizes the Privatization Program for 1993"]

[Text] The hall where the Moscow government usually holds its meetings, was full to overflowing this time. This mass interest was occasioned by the privatization program for 1993, with Aleksey Prokopyev, acting chairman of the Moscow Property Committee, making the announcement. He began by telling what had transpired in privatization in 1992. Over 9,000 enterprises were privatized, including 4,500 engaged in trade and around 3,000 in everyday services. The overall worth of these properties was 7 billion rubles. The municipal treasury.

however, received no more than 3 billion. According to Mr. Prokopyev, privatization is also going well in the construction sector, where 50 organizations changed their form of ownership. Some 46 million rubles were gained from the sale of 16 sites with uncompleted construction projects and another 56 sites have been put up for auction.

There have been, however, a number of cases where trade rules have been violated, when new owners of trade institutions, despite agreements that had been made, arbitrarily changed the profile of their business.

Mr. Prokopyev then went on to the privatization program for 1993. He has included 14,200 facilities. The amount to be asked from Muscovites to purchase these properties has been assessed at 120 billion rubles. Between 60 and 70 percent of this sum, moreover, will be paid in vouchers. With regard to privatization vouchers themselves, according to expert prognoses, the population will dispose of them in the following way: 25 percent will be invested in enterprises being privatized, 60 percent in investment funds, and 15 percent will be sold. For this reason, it is planned to extend auctions for these vouchers. One auction will apparently take place at the GUM department store, which intends to sell 80 percent of its shares for vouchers. At the same time, there will be more action in a reverse process, whereby it is proposed to auction off 2,200 enterprises. With regard to large or unique facilities, privatization for them will be conducted in accordance with rules approved by the Moscow government. Foreigners will also be allowed to acquire Moscow property under the same conditions as Russians.

Mr. Prokopyev's report was harshly criticized by Moscow Mayor Yuriy Luzhkov. He accused Prokopyev of being abstract and making pronouncements for effect. According to the mayor, the Moscow Property Committee has not submitted a privatization strategy to the government. Also it is not clear what part of the property will remain under municipal ownership. The technological aspects of this matter are also very poor. There is no unified information data base, and no system has been set up to train the Moscow Property Committee personnel. Moreover, Program-93 does not provide an answer to a very important question for Muscovites: Will there be enough voucher auctions to permit everyone who wishes to do so to invest his voucher into a privatized enterprise?

In conclusion, the mayor of Moscow gave an unsatisfactory assessment on the activities of the Moscow Property Committee. In accordance with his proposal, the Moscow government will go back for another examination of this subject in January of next year.

Visitor Registration in Moscow To Curb Crime Introduced

934C0648A Moscow IZVESTIYA in Russian 26 Dec 92
Morning Edition p 2

[Article by Victor Belikov, IZVESTIYA correspondent: "Moscow Guests Will Have To Register With the Militia"]

[Text] Documents are ready for establishing procedures in Moscow to register citizens who reside permanently outside the Russian Federation, but within the borders of the former USSR. This decision is the result of an agreement—which in recent times has been infrequent—between the Moscow Soviet and the mayor's office, both disturbed by the deplorable situation in the city.

The dispassionate statistics of Petrovka No. 38 provide the evidence: During 11 months of the year just ending, the number of persons from other cities and "bums" arrested for criminal activities in Moscow increased by 33.8 percent compared to 1991. These uninvited guests in our capital commit 40 percent of all thefts and robberies, every third apartment break-in, every fourth rape, and every fifth murder or severe injury.

What city other than our Mother-Moscow would tolerate this kind of crime wave? At last, Moscow also had enough, and authorities here finally decided to pay closer attention to those who freely cross the "transparent borders," even though they are formally citizens of other sovereign states. The situation developing in our city requires the implementation of this kind of control.

Mayor Yu. Luzhkov:

"We are speaking about procedures for so-called "soft" registration of persons arriving from adjacent countries which have not yet initiated a border-crossing visa procedure of their own in accordance with generally accepted international standards and rules. Estonia, incidentally, has already started its procedure of requiring a visa to visit there or to leave Estonia for another country."

The registration procedure being established for Moscow guests is not very burdensome, but it will make it possible to fix precisely the date of entry, the person's stated reason for his visit, and the length of his intended stay. It is possible that there will also be a fee for being given the right to live for a certain period in the city, because visitors increase an already heavy workload for services of the municipal economy and transportation. It should not be forgotten that the average daily number of out-of-town visitors to Moscow is around 3 million people.

In the event of a clear deviation from the earlier announced purpose of his visit, it is important that the foreign guest should give an explanation of his activities and intentions to representatives of law enforcement agencies, which may request that the "visit" to the Russian capital be terminated earlier than intended.

S. Dontsov, chief of the State Legal Directorate of the Moscow mayor's office, tells how the registration procedure will be implemented:

"A simple and understandable registration form has been worked out. Every person arriving from an adjacent foreign country will have to fill it out in person and turn it in to the militia passport office at the point of entry into Moscow. The visitor is then given an official form that shows the purpose of the visit and the permitted length of stay in the city. An extension of a person's stay without valid reasons will be looked at as a violation of the registration."

Registration is a serious matter, and it is recommended that a guest to this city keep it on his person, so that it can be shown on demand to employees of the militia or other law enforcement agencies. The bearer of this document is responsible for the accuracy of all information given and the timeliness of such information.

The document package, developed on request of the Moscow Soviet session, will soon be reviewed by the Small Soviet and, after approval, will be put into effect as soon as possible.

INTERNATIONAL AFFAIRS

Shift in U.S. Foreign Policy Approach Said Needed

934C0650A Moscow PRAVDA in Russian 23 Dec 92
p 3

[Article by Boris Poklad, doctor of historical sciences: "Challenge of the Times: Does the White House Hear It?"]

[Text] **The confident victory of Bill Clinton, representative of the Democratic Party, at the presidential elections in the United States has occurred in an exceptionally critical period in world history. There are now unique opportunities, perhaps, for a restructuring of the world. The creation of a new, truly just international order in keeping with the interests of the world community and human civilization is on the agenda.**

The era of antagonism, confrontation, and cold war is, in fact, over, and there has been an appreciable transformation of the entire system of East-West relations. Such a turnabout of events in Europe and the world coincided with the presidency of G. Bush, who, it is believed, was victorious in the cold war. But, in my view, it was not so much Bush who was victorious in the cold war as the fact that it was lost, consciously or otherwise, by M. Gorbachev, surrendering one position after another.

Was it not Gorbachev who upon assuming office in 1985 proclaimed the cause of friendship and cooperation with the socialist countries as the priority feature of the Soviet Union's international policy and who advocated the strengthening and improvement of the activity of the Warsaw Pact? The following words (just think of it!) are

his: "An essential force in the struggle for a peaceful future for mankind is the cohesion of the commonwealth of socialist states!"

And then the "architect of perestroika" abruptly put the helm over, moving to break up the commonwealth and the Warsaw Pact. It was under him that the disintegration of the Soviet Union and its economy began also and that interethnic conflicts arose. And the unsuccessful August attempt to halt this process merely accelerated it. The baton was handed over. More precisely, it was taken by B. Yeltsin.

"Gorbachev's priority" was manifested also in the high-speed unification of Germany essentially unhedged by any political conditions. I do not know the true reasons for the absence of former U.S. President R. Reagan at the ceremonies in Berlin on the conferment on him of the title of honorary citizen of this city. It is said that he was ill at that time. Possibly so. But nor can it be ruled out that Reagan was reluctant thereby to emphasize his role in the collapse of the GDR, rightly ceding the victor's palm to Gorbachev.

And, truly, neither in the East nor in the West was there in the 1980's any question even of the advancement of NATO's borders to the Oder-Neisse line. Thus back in November 1989 French President Mitterrand declared in an interview that the question of the unification of Germany was not an issue being raised either by these two countries (the FRG and the GDR—V.P.) or the German people. "Many politicians," he said, "of different views emphasize that this is not currently a pressing problem."

But the deed was done. There will always be an incomparably more hospitable home for Gorbachev in Germany than in Russia. And virtually no one now recalls the all-European home, including the precursor of this once extensively publicized idea himself even.

Having lasted half a century, the balance of forces in the world has collapsed. But destroying and loosening, resorting to pressure and power methods, is one thing. Constructing and creating an integral original structure which the world has not known hitherto is another. A flight of creative thought and intellect is needed for this.

Under the conditions of the fundamentally new situation which has taken shape in Europe and the world in the political, socioeconomic, and military spheres Bush's team proved powerless to offer the world community an in any way constructive program and concept of a world order in keeping with the spirit of the times. A policy of preventing the emergence of rivals to the United States was adopted instead. As Bush declared, the United States must remain "a military superpower, economic superpower, and exporting superpower." In other words, the United States, as the world's sole superpower, should concern itself not so much with a prudent reduction in

its geostrategic influence as with its unchecked intensification (!). And all this in place of a conscious-humanitarian reconsideration of the actual first principles of an approach to present-day global problems—from disarmament through environmental.

The Bush administration did not have at its disposal striking personalities of the H. Kissinger and Z. Brzezinski type. Aside from Baker, only CIA Director R. Gates, perhaps, performed a pronounced role therein. It was with good reason that Bush declared, following the August events of 1991, that this was not only a victory for democracy but also "our victory—the CIA's victory." Gates' recent trip to Moscow also testifies to this.

Strictly speaking, however, Republican Washington did not display political sober-mindedness or a penetrating vision of the new phenomena and processes. People on the banks of the Potomac continued to operate in the old way, by force of inertia, retaining bloc thinking and changing nothing in the approaches, modes, and methods of the solution of international problems, as though nothing had happened. The United States' diverse military commitments have essentially remained unchanged and unrevised. The North Atlantic bloc, in which the predominant role is performed by the United States, continues to exist just as before and to strengthen, what is more. Paradoxical, but a fact!

How can we fail to recall here French President de Gaulle, who, addressing a news conference in Paris more than a quarter of a century ago, emphasized: "Nothing can fully preserve the validity of a treaty when its object has changed nor can anything preserve in its previous form an alliance when the conditions under which it was concluded have changed." And the North Atlantic alliance was formed, as we all know, more than 40 years ago, under the conditions of the most serious East-West antagonism.

Endeavoring to preserve NATO at all costs and justify its existence, Bush tried to impart to this organization the role of a kind of instrument of security of a "united and free Europe" with conferment on it of the right to power "peacemaking" functions on the continent. Expressing a readiness to put its armed forces at the disposal of the CSCE for peacekeeping operations in Europe, the NATO leadership is providing even for the possibility of "selective nuclear attacks in crisis zones" and the right of "first shot." The reference here is, naturally, primarily to Russia and also other countries of the CIS. The population not only of East but also West Europe would suffer from the disastrous consequences of such an attack, for that matter.

The absence of a counterweight to the North Atlantic alliance is already in itself leading to a destabilization of the situation in Europe and the world. The buildup of the power and the extension of the sphere of activity of NATO are all the more dangerous under these conditions. All this has already been echoed in the war in the Balkans and contains a threat to other regions.

Armed conflicts and the exacerbation of interethnic relations, which are a characteristic feature of the end of the 20th century, are on a par with present-day global problems such as democracy and human rights, the environment and AIDS. And military-power actions alone will not help here. It is not inappropriate to recall in this connection the words spoken by F. Roosevelt at the end of World War II to the effect that "in the future world the abuse of power contained in the very term 'power politics' must not be the dominating factor of international life."

Consequently, it is essential today to devise conceptually new paths of a settlement not only of armed conflicts which already exist but also to prevent them. For example, how is it possible on the one hand to recognize the fact of the general violation of human rights and liberties in the Baltic countries and, on the other, demonstratively support the regimes which have been installed there, demanding the speediest withdrawal of the Russian forces and threatening Moscow with sanctions? Is it any wonder under these conditions that Estonia and Latvia are making territorial claims on Russia? Is the West's position not creating the grounds for an inflammation of passions in this region and possible upheavals?

The discrimination against the national minorities in the Baltic and in other regions also could cause a retaliatory response in Russia so powerful that its consequences would be hard to predict. Trying the patience of Russians, who have a strongly developed sense of national dignity, is just as risky an undertaking as it is dangerous. The history of our state testifies that Russia has never abandoned its compatriots to the whim of fate or left them in the lurch. It is fully resolved to stand up for them today also. And no Western sanctions will help the devotees of "ethnic cleansing" in the new independent states.

The foundation of firm relations between Russia and the West, primarily the United States, not burdened by the above-mentioned ambiguity, should be laid now: when our country is in a difficult economic and political situation, not when Moscow gets back on its feet one way or another. Unfortunately, Bush has been unable to rise to this level of understanding of the changes which have occurred and which afford extensive opportunities. While paying lip service to the democratic processes in Russia and expatiating on partner relations between Washington and Moscow, he has not adopted effective measures to stabilize such relations in practice (there is no question of their consolidation as yet). If both countries are really resolved to develop partner relations, the treaty-legal base between them needs to be widened also.

The West should make up its mind what is dearer to it—the illusory risk (this cannot be put any other way now) of losing its capital investments in Russia or timely and large-scale technical-economic and financial assistance. And this means support for the reform processes in the Russian Federation which are gaining momentum and, consequently, the formation of the new democratic

Russia as an important stabilizing factor in Europe. Nor should it be forgotten that we are talking about assistance to a country which bore on its shoulders the main burdens of the fight against fascism for the salvation of the enslaved peoples.

...Complex, at times contradictory, processes are under way currently on both sides of the European continent. In Eastern Europe the mood of euphoria is giving way to a feeling of disappointment and nostalgia for the past. This is explained primarily by the economic difficulties and the decline in society's living standard. Forces of the left are strengthening their positions in a number of countries. A process of movement toward the right is taking place, meanwhile, in West Europe. Nationalist forces, particularly in Germany and Italy, have become noticeably more active. Recent events have shown that aggressive German nationalism has not disappeared, it is alive and is giving reminders of its presence increasingly vociferously. Neofascists and supporters of the "Germany Above All" motto are a minority as yet. But they are active. Political parties and movements of the right, which in the not-too-distant future could be exerting a considerable influence on the policy of their countries' governments, are gathering strength in West Europe.

It is not hard to assume, and the first symptoms are already to hand, that the growth of forces of the right will inevitably give rise to a revitalization and strengthening of the opposition to them on the part of forces of the left, to which the history of the Old World has borne witness. And this means that Europe should expect a growth of the consolidation and polarization of right and left groupings within the framework of both individual countries and the entire continent.

The basic principles of the Helsinki Final Act, although preserving their relevance as a whole, at the same time need adjustment and alignment with the realities of the cardinally changed Europe. The CSCE is insufficiently effective as an instrument, it lacks effective means and mechanisms of conflict settlement and of defense of the interests of national minorities and human rights. A meeting within the channel of the Conference on Security and Cooperation in Europe at head of state and government level in the summer-fall of 1993 would seem necessary in this connection. Something akin to a code of rights of man and citizen, about which scholars have long been speaking, should, possibly, be adopted at this meeting. All this would contribute to the solution of vitally important and topical problems in Europe.

Considering that the United States plays an important part among the participants in the all-European process, it is not hard to conjecture how serious its responsibility is for the fact that the imbalance of forces in Europe not result in even more serious upheavals and cataclysms. In this connection B. Clinton, the new President of the United States, is faced with incomparably more difficult, complex, and large-scale tasks and goals than his predecessor. This applies not only to peacekeeping in the Old World, incidentally. Present-day realities are insistently

demanding everywhere a transition from the destruction of the old to the creation of the new and the building at the interface of the 20th and 21st centuries of a universe which responds to the challenge of the times, the priority of values common to all mankind, the integrity of peace, democracy, and the humanization of international relations.

I would like to hope in this connection that the term of Clinton, a representative of the new generation, will go down in history and will put him on a par with such outstanding presidents of the United States as F. Roosevelt and J. Kennedy.

Ambassador to United States Lukin Interviewed

934C0582A Moscow OGONEK in Russian No 44-46, Nov 92 pp 28-29

[Interview with Vladimir Lukin, Ambassador of Russia to the United States, by Ilya Milshteyn; place and date not given: "Super Ambassador of a Former Super Power"]

[Text] "But where were the windows here before the 'cold war'?" With this question, in February 1992, Vladimir Lukin entered his new office, which was tightly sealed off from the outside world with walls. "It seems, here," one of his escorts indicated. "Then, let them be here," Lukin agreed. "It is not possible, Vladimir Petrovich." Softly, trying not to offend the decisive chief, it was explained that since the times of the "cold war," science had achieved great successes in the matter of bugging confidential conversations. If there is a window, it is easier to listen. Vladimir Petrovich proved to be obstinate: "Let them listen. I am not planning to weave plots. I also will not be preparing a war."

Moscow was queried. "Do as you are told." Moscow answered, after thinking it over. Windows were built into the wall. A view of Washington, the capital of the United States of America, could be seen from the windows. From Washington, a view opened up on the office, where an elderly person in glasses sat behind a table—Vladimir Petrovich Lukin, Ambassador Extraordinary and Plenipotentiary of Russia to the United States.

The story of his appointment is shrouded in mystery.

"The Ambassador Went Where He Was Sent"

After the three leaders who gathered in the Belovezhskaya Pushcha had completed their shooting of the Soviet Union, the question immediately arose: What is to be done with the trophy? The question concerned a vast country that had completed an historic turn from slavery to freedom, an unfortunate country tormented by local wars, needing help, but united. This country no longer existed. Its former president, by a Yeltsin edict, received an office on Leningrad Avenue ...

The world was confused: Whom to help, whom to cooperate with? The MID [Ministry of Foreign Affairs] went the way of the USSR.

Together with the MID of Russia came Andrey Kozyrev. Russian embassies opened up in the buildings of the Soviet embassies. Red banners with the hammer and sickle were replaced by the tricolor. Everything was done in a hurry.

[Milshteyn] Vladimir Petrovich, you went to Washington from the job of chairman of the committee for international affairs of the Supreme Soviet of Russia. Different things were said at the time: Either you did not please Khasbulatov, or Ambartsumov, who replaced you, was more suitable.... In a word, there were rumors of an honorable exile.

[Lukin] I can say honestly that I do not know. It is better to explain how it happened.

I was in America. I was giving lectures as a Russian parliamentarian. I called my son at home from New York. My son said: "Dad, it seems that you are being appointed an ambassador, there is an edict." I did not believe this. In those days, Boris Nikolayevich was getting ready for a visit to the United States, I was included on the staff of the delegation, and I was waiting for him there.

The next scene. The White House. Bush received Yeltsin, and Yeltsin presented the members of his delegation to the president. "And here," he pointed to me, "is Ambassador of Russia to the United States Lukin!" Everyone laughed, but it was no laughing matter to me: "Boris Nikolayevich, I am not the ambassador yet." How is that?! Well, you see, I explained, I have to receive the agreement—an official agreement of both presidents. Bush immediately exclaimed: "You are welcome," and I became the ambassador.

[Milshteyn] Was there no discussion at all about your consent?

[Lukin] But what was I to do—refuse? I am a disciplined and law-abiding person. Once the party commanded.... In general, as was fairly reported in KOMMERSANT: "The ambassador went where he was sent."

[Milshteyn] Does the position please you?

[Lukin] Completely. I am enjoying the work. It is another matter that my former position pleased me no less. It had one great advantage: No one appointed me to the job. I was elected.

The Balalaika of the Perestroyka [in English in the original]

I did not interview Vladimir Petrovich in Washington. He was sitting, settled far back in his chair, behind a small table in his former parliamentary office. In the same "White House" that is now so reminiscent of the Supreme Soviet of the USSR. Lukin jokingly called the

past epoch the balalaika of perestroyka, comparing the number of uttered words and the quality of accomplished work. He had his own ideas about independent civilized parliamentarism.

At the Fourth Congress of Russian Deputies, he was nominated for the post of speaker.

[Milshteyn] Were you an ideological opponent of Khasbulatov?

[Lukin] No. Not then. We did not have any serious political disagreements. We argued about trifles: on the role of parliament in the life of society and on the role of the speaker in parliament.

[Milshteyn] Does it now appear that the future of our country depends on these "trifles"?

[Lukin] Yes....unfortunately. I do not reject even one word from my previous speech to Congress. I thought and think that parliament should operate as a self-governing organ, where the main role is played by committees and commissions whose expert base has to be expanded sharply. But Khasbulatov proposed that it is necessary to work on an expansion of the staff under the Presidium of the Supreme Soviet.

[Milshteyn] Which he in fact is working on now.

[Lukin] I will refrain from commenting. We argued about the place of the speaker: whether he should be the alternative leader, or only a coordinator of parliamentary work and the organizer of discussions. I thought and think that the legislative authority should create laws, but not impede their executives. Time has passed.... You be the judge of who was right in this argument.

Concerning the National Pride of the Democratic Russia Members

The ambassador is 55 years of age. Doctor of historical sciences, a professor. He studied in the MGPI [Moscow State Pedagogical Institute], the poetic cradle of the "progressive men and women of the 1860's," in the same class with Yuliy Kim. He chose the path of a "legal dissident"—scientific educational activity within the scope of legally permitted freedoms. He worked on the journal PROBLEMY MIRA I SOTSIALISMA. He experienced one of the most critical shocks in 1968, when he was a witness to the Soviet invasion of Prague. His movement was restricted for many years. He worked in the Institute of the United States and Canada and in the MID, and he headed an analysis and forecasting group under the Supreme Soviet of the USSR.

[Milshteyn] Vladimir Petrovich, are you an ambassador of a superpower?

[Lukin] Well, why do you put it that way? I am a super ambassador of an ordinary country....a future great power

[Milshteyn] What does your "super embassy" consist of?

[Lukin] As before, we are in fashion. I am in fashion. Not by virtue of any kind of personal merits, but that is the way the circumstances have developed. We are invited everywhere. Other ambassadors who are not invited everywhere envy us. True, the fashion is coming to an end. And serious discussions are starting about what the structure of relations should be between Russia and the United States.

Today, we are attempting to develop our own foreign policy. Various points of view exist on this score. There are naive "Westerners" who think that Russian interests coincide completely with the interests of the United States and "of the whole civilized world." At the same time, they forget that the interests of the democratic Western countries by no means coincide in everything. I would call a different interpretation capricious and nostalgic. It says we should forget Gorbachev and perestroika like a bad dream and conduct ourselves as if literally nothing had happened with us. In the former ill-starred and offensive manner: If something is not as it should be, we will introduce a limited contingent....and things will go our way.

[Milshteyn] But can we?

[Lukin] Some have the desire, but there is no longer enough strength. I am convinced that it does not even conform to our national interests. If people with such views come to power, in the best case it will end up that the world will surround us with a wall that will stand not on the Elbe, but at Smolensk.

[Milshteyn] "There is no longer enough strength"—did you say this reluctantly or joyfully?

[Lukin] Why joyfully? Do you suspect me of masochism? I dream about our becoming a powerful country! But the fact is that the nature of power exists, and its direction and aim.

It is in our national interests to be a country where democracy is strengthened. It is not just a question that you and I could be seized by the collar at any moment and sent to the Permian zone. Simply as an historian, I can state: At the cusp of the 20th-21st centuries only the democratic countries are making progress. The rest are doomed to vegetation, if not to suicide.

Moreover, Russia should be a united state. Of course, I am not talking about an empire.... But it is a driveling illusion to think that we can have 15 or 50 "independent" formations. There will be no kinds of states, but only gangs, which is what we see all around. Frequently, because of a lack of character and an inability to conduct a strong policy, it is necessary to pay with a sea of blood.

[Milshteyn] It all depends. Yeltsin at one time had the resolve to show a "lack of character" not to send troops into Chechnya. And hundreds of human lives were saved. Shevardnadze showed character in Abkhazia—blood is still being spilled in the streets.

[Lukin] You are not talking about a strong policy, but about the employment of weapons. Weapons can be used in policy in the most extreme cases. And only exactly as much as is necessary. And only when there is an absolute confidence in victory. And when it is obvious that a rejection of armed intervention will lead even to more blood.

[Milshteyn] Do you feel that you are humbled?

[Lukin] What?... No; but why? This is not so. The problem is that some Americans treat us like the prodigal son, who reformed in the end and returned to his family. To the good father. And he stands on his knees. This is not acceptable for us.

[Milshteyn] We lost the "cold war" to the West. We decidedly lost the ideological war. We depend partly or almost completely on the economic assistance of the developed countries. How can state dignity be preserved in such a situation?

[Lukin] By conducting ourselves with dignity. As befits a reliable partner and not a humbled petitioner. We are guilty before ourselves and before God for everything that has occurred in our country. But not before the Americans. That is ridiculous.

[Milshteyn] Do you have occasion to solicit something in Washington?

[Lukin] What do you mean by solicit? Just before my arrival here, I signed an agreement with Deputy Secretary of Defense Atwood. Concerning American assistance in the creation of reliable storage of Russia's nuclear weapons. I would not call this "solicitation." Well, of course, it is not we who are helping them, but they are helping us. What is to be done.... The world will only gain from the fact that our nuclear systems will not blow up because of unskillful storage.

The Democrat and the KGB

Henceforth, there is no talk about state secrets in the ambassador's office. There are other rooms for this.

[Milshteyn] Vladimir Petrovich, are you the boss in your own embassy?

[Lukin] Naturally, I manage the embassy.

[Milshteyn] I do not think that this is natural. I am not confident that the ambassador of the USSR to the United States was the chief person in the embassy.

[Lukin] You have the intelligence services in mind? Of course, they are subordinate to me as the representative of the government, of which they are a part. Of course, they have purely technical secrets that I do not meddle in, inasmuch as I do not understand anything about them. However, it is I who determine the principal questions associated with behavior in the country of our stay. I use the laws of Russia and the directives of the president as a basis.

[Milshteyn] Here is what I am talking about. The experience of the perestroika years shows convincingly that to reform the secret police is far more difficult than the whole country and even the ruling party. It is not only the fault, but also the misfortune of our intelligence personnel that from the very first days of service, they were trained that America was the main enemy. It is almost impossible to get rid of the former training.

[Lukin] As you know, the former KGB is now a divided institution. The intelligence service is engaged in foreign affairs. Incidentally, there were always people in this sphere, in addition to others, who were first-class Americanists....and their attitude toward America was not bad. The kinds of instructions they were given is another matter. I agree with you that the problem of reorganizing the organs exists. But this is not my problem. Well, if I note that there are people in the embassy who do not understand the kind of time we live in, what can and what cannot be done....

[Milshteyn] Do you have enough authority to remove these people?

[Lukin] I have enough authority to urgently advise the appropriate persons, including the president of Russia, to part with such people.

[Milshteyn] Do you know the resident of Russian intelligence in the United States?

[Lukin] Well, and what do you think? Should I name him? **General laughter.**

[Milshteyn] Thus, you know everything that you should know.... Does the resident come to you frequently with a report?

[Lukin] When it is necessary for me. And I frequently need such reports. If I need to have an expert estimate of some kind of situation in the United States, then I gladly listen to the opinion of a specialist. I say once more: There are very experienced and knowledgeable people among our intelligence personnel; why would I not listen to them? True, at times this is a big question: What they know. And why secrecy exists—in order to hide knowledge, or to conceal its absence....

[Milshteyn] It would be indiscreet on my part if I were to ask about what intelligence reports to you.

[Lukin] No, it would be natural on your part. But on my part it would be even more natural not to answer. There are professional discussions whose content it is impossible to discuss for the press, even for OGONEK.

[Milshteyn] Of course. Outside their scope, is anything left for the journalists?

[Lukin] Well, now.... Why can I not ask any employee of the embassy about the chances of the candidates for the post of president of the United States? I ask and we have a very interesting discussion on this subject. As an example.

[Milshteyn] I could say here: But, Vladimir Petrovich, you are an intelligent person, and you have former dissidents as friends.... It should be repugnant to you to be involved in all of this! Or is this a deliberate state choice?

[Lukin] Yes, this is my deliberate choice. If I have chosen a political career, then it is necessary for me to do the work I undertook. And to adhere to the rules of the game honestly. By the way, when I just assumed the post of ambassador, some Americans took me for some kind of a country bumpkin. I remember someone asked: It is said that the Czechoslovak Embassy has curtailed all espionage activity; why do you not stop it? Then, I asked them two questions.

The first: "What kinds of work does our intelligence conduct here that your intelligence does not conduct in Moscow? Name at least one of these matters, and I will give you a guarantee that we will immediately restore the symmetry." And the second question: "Do you want us to reduce the mutual espionage to zero? Are you ready for this? Judging by the budget that is published in your reports, your country does not have such plans under review. Perhaps you are ready for a partial reduction of mutual shadowing?" I did not receive any kind of an answer at the time. This, incidentally, responds to the question on state dignity. I think that a serious discussion is possible only in this tone. And this discussion, as I know, is going on. It is being conducted by professionals in a situation of extreme secrecy, without hurrying and without particular trust, as these people are supposed to do it.

"....And Therein Lies Our Trade"

The work day of the ambassador starts at 0850 hours local time. There is a review of the latest information from Moscow, reports, papers from the State Department and the American White House... That is the way it is until lunch. From 1530 until evening, there is office work once again. A new life starts at 2100 hours: receptions, visits, light festivities.... From midnight—the preparation of reports for Moscow. At one o'clock, the ambassador goes to bed.

[Milshteyn] Vladimir Petrovich, could you briefly characterize the policy of the United States?

[Lukin] I can in one sentence: After what happened to us, the United States is conducting a policy as the sole superpower

[Milshteyn] Do you know who will win in the elections?

[Lukin] I am guessing

[Milshteyn] Who then?

[Lukin] Let us wait. I will say only: Whoever sits in the presidential chair, there will be no great changes in Russian-American relations

[Milshteyn] Who is the United States for us today—a big patron, an ally, a friend?

[Lukin] We have found the exact word—partner. Moreover, a friendly partner. Although in this respect, our society has not defined itself once and for all. There is a vanguard that frequently hurries events, fleeing practical reality; there is a middle echelon which, sometimes with delay, joins the new structure of relations; finally, there is the rear guard.... A picture of the enemy—the “American aggressor”—has been hammered into their heads all of their life.

[Milshteyn] Where do you stand?

[Lukin] I consider myself to be a person who understands the extreme need for constructive and friendly relations with the United States. And I think that the best method of achieving this firmly and for a long time is not to break away from the roots, from one's own country, such as it is.

I have studied America for 19 years. I loved it in my youth, because I hated totalitarianism. This was a romantic feeling. I loved America, which I did not know. Today, I can say, that it is now a different feeling. Remember what Samoylov said: “I love ordinary words, like an unexplored country. They are understood only at first, and then their meaning is obscured. They are rubbed like glass, and this is wherein our trade lies.”

By the way, ours as well.

[Milshteyn] You are dreaming of a great Russia. The Americans, as I see it, are quite pleased with the status of sole superpower. Has not the source of future conflicts between our countries been laid in this contradiction?

[Lukin] Diplomacy is the application of the mind and tact to international relations. There will be competition, and conflicts are possible, but it is within our power not to permit them, or to overcome them. Russia was with America under Catherine, when the States were fighting for independence. We were together in two world wars. Quarrels occurred, but we did not come to blows. Does this mean that there is something in our mentalities that transcends political systems and convictions? But, as for the future, I could repeat the words of one of the Russian diplomats in “War and Peace”: “It is not powder that decides a cause, but those who conceived it.” We will come to an agreement.

[Milshteyn] Will the superpower talk with us on equal terms?

[Lukin] This depends on us. When de Gaulle came to power in France, a ruined country lay before him. He did not begin to whine and ask his neighbors for help. De Gaulle proclaimed a policy of the greatness of the French nation. He got the people on their tiptoes, but he did not compel them to bow before the face of the foreign world.

[Milshteyn] It is well known who in our country is speaking of greatness. Are you not afraid of ending up in the same ranks with them?

[Lukin] I am not afraid. And I will never be in those ranks. You are talking about Russian fascists. This is what many are saying: They say that only fascism is the alternative to what is happening in our country. No, to raise the flag of the greatness of our country is the best method of fighting against fascism.

[Milshteyn] What can compel you to resign?

[Lukin] You know, that is not done in Russia....

[Milshteyn] Shevardnadze.

[Lukin] Yes, there were individual heroes. I work as long as the leadership considers my work useful. Otherwise, I will leave immediately. Even if I am told beforehand: Do not pay attention to criticism, work. After all, in our country, fortunately, it is not the president alone who possess a sense of personal pride.

Someone looked through the door several times: It was time to bid goodbye. “You met there with our Nobel laureates. Who is closer to you?” I asked. “Aleksandr Isayevich is more understandable,” the ambassador answered. I thought about the fact that the politician Lukin could not answer otherwise. The type of state democrat who is depicted best of all in the prose of A.I. Solzhenitsyn is rare for Russia. You cannot talk to Brodsky's lyrical hero about national priorities: only about love, space, death, and time. This laureate is either for the resident of a superpower or a reader to whom it does not matter where he lives.

It does matter to Lukin. However, he is much broader than his political convictions. He is calm, intelligent, and given to scoffing, and it is pleasant and easy to talk with him. I did not have the slightest doubts of his sincerity, nor of his probity. It is another matter that all of the talk about “greatness” and “power” have been so discredited that a person pronouncing these sacramental words immediately becomes suspect. So, Lukin, as I recall, has already been accused of chauvinism. Years must pass before the original meaning is returned to normal words. Then the time of patriot-pragmatists will arrive and people with standards, to whom, in my opinion, Vladimir Lukin belongs.

There are not many of them today. The authorities, while shuffling the deck, often pass over such people. There are the usual rumors: In the event that the comic opera patriots succeed in removing Kozyrev, Lukin could take his place. This will be an equal tradeoff, although I am personally closer to the current minister. However, is it worth talking about rumors?...

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Consortium Bids for Udokan Copper Against Foreign Competition

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[Article by Ivan Sharov: "Who Will Be First To Break Through the Copper Pipes": "The Fight for Udokan's Treasures"]

[Text] Copper is gold. No, switches do not occur in Mendeleyev's table, but in our example copper exhibits the attractiveness and importance of the precious metal. Similarly, the Udokan kettle basin in Chita Oblast, where more than 40 years ago the most rich deposits of copper ore were discovered, quite soon will be a distinctive Klondike, at least for the seekers to start working on large areas. They are already there, foreigners included.

It is not necessary to explain to business people what 1.3 billion tons of Udokan's copper-ore reserves mean, being located within 23 kilometers of the Baykal-Amur Trunk Railroad. Therefore, competing for the project for developing the field are seven foreign companies and one domestic company—the Russian Industrial Consortium, which consists of genuine giants of the economy, such as Uralmash [Ural Heavy Machinebuilding Plant], Bratskgesstroy [Bratsk Trust for the Construction of Hydroelectric-Power Facilities], BelAZ [Belarus Motor-Vehicle Plant], and others. But something is making these giants apprehensive, they doubt that they will get around their foreign rivals.

We have many assets, but what if our own "judges" will favor others in the competition? For there is a danger that the foreign competitors for the Udokan project, which is of nationwide significance, will strive for a restriction on openness in conducting the competition and perhaps be supported in this desire by our side. Such dangers were reinforced during the Russian President's visit to England. And the enviable practicality at that time of Ye. Gaydar, who, having established the Russo-British Committee on Trade and Investment, puts us on guard. Was it this that made our giants gloomy?

True, shortly thereafter B. Yeltsin, speaking at a congress of the Russian Union of Industrialists and Entrepreneurs, spoke about the need for state protectionism while creating concessions for the conquest of rich fields. It sounds encouraging, but indeed it is well known how changeable our leader is in both words and deeds.

It seems that the new chief of the Russian Government, V. Chernomyrdin, who has been around a long time, knows well the true value of our natural resources, and he will hold back grasping hands that are stretching out to Udokan and, moreover, not just to that place. Having been in the U.S. and the FRG, our President loudly and with oratorical pressure has urged Western businessmen: "Do not delay!" Open your purses, he said, and invest in the Russian economy. Hurried people will miss something.

But copper, we repeat, is gold, and there are those who hunt for it. The competition for the right to develop the

Udokan project will end 15 January 1993. Not much time remains, and who will win? The Russian Industrial Consortium or one of the chief claimants, who are confident of success—the Western companies of VNR and RTZ [Rio Tinto Zinc]?

Are there not signs of a bluff here? Where will the foreign competitors get the billions? The well-known Russian entrepreneur and graduate of the Harvard Business School, Aleksandr Ivanovich Rubtsov, is sure that the named companies do not have their own free money, they will ask the banks for it. Perhaps they will get down on their knees, since they know that Udokan's product, if produced for the world market without their participation will demoralize the seven Chilean copper mines that these companies own. The Chita ore will be cheaper.

The game is proceeding on a grand scale. Western business circles have already examined the danger that is represented by the group of Russian businessmen, who are gathering strength and experience and are doing everything possible not to let them parcel out the profits. Udokan is not the sole stumbling block of the far-ranging interests. Approaching are three or four percent more of similar scope and national importance. So, shall we be pliable and, next, shall we close our eyes to the self-interest of officials who trade off our Motherland's natural resources? It is they who really can "favor" what is not to our benefit. Rubtsov knows that the overseas rivals for Udokan's riches have given hundreds of millions of dollars of compensation in the form of projects to other subcontractors who want to work with us, to keep the "sharks" from being hindered.

Why such spending? There is an answer. Let us take a look at least at China, Chita's neighbor, which now buys copper in Chile and New Zealand. And it is ready to take Russian Udokan copper concentrate in large amounts. The railroad is close, and costs will be far less. The English do not want this. That is why the experts easily see this possible scenario: The VNR and RTZ companies will not rush with the development of the Udokan field but hold it back as a reserve. Their reserve.

Of course we need reliable, wealthy investors, but we shall wait, although Yeltsin's appeal, "Do not delay," should not be interpreted literally as an invitation to all to work in Russia without investigating and on any terms. We are experiencing too much of such "collaboration" already. Raw-material streams that flow abroad, at times at throw-away prices, can bleed our national economy. And we must welcome the jealous and motivated attention of Russian industrialists and entrepreneurs toward the actions and intentions of foreign business circles.

The Russian Industrial Consortium can win in the competition and manage this victory best. Its plan for Udokan will be more profitable, through the use of advanced domestic technologies and equipment, and it can help in the development of many Russian enterprises.

And so, 15 January is near. The hours have been slipping by, and the "arbiters" have been impenetrable. Who will get the pot of gold?

KAZAKHSTAN

Nazarbayev Address at National Conference on Constitution

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[Report by N.A. Nazarbayev at the republican conference of heads of administration and chairmen of local soviets of people's deputies: "Kazakhstan Can Become an Equal Member of the World Community Only if Our Constitution Shows the World that Kazakhstan Places Values Common to All Mankind Above Everything Else"]

[Text] First of all, I would like to emphasize that I attach great importance to our conference. The implementation of those vast reorganizations that were started with the proclamation of Kazakhstan's independence and that are directed at the real entry of the republic into the stream of world civilization depends very much on the people who have assembled in this hall.

It is very important to us to hear your opinions on the key questions of the current moment: Concerning the draft of the first Constitution of our sovereign state and the government program for intensifying radical economic reforms. The one and the other will be the subject of discussion at the forthcoming session of the Supreme Soviet. I am convinced that the ideas and proposals you express will help the parliamentarians in a significant way to reach decisions that are so important to the destinies of the republic and its people.

I would like to mention that the work on the draft Basic Law has been conducted during the course of the last two years and that during that time it underwent extensive study by specialists, including expert foreign analysts. As is well known, after approval of the document on the first reading by the eighth session of the parliament, it was submitted for public discussion.

The four months that have passed since then have made manifest the high degree of activity of the citizens of the republic, who submitted more than 18,000 proposals and comments to the Constitutional Commission. Many of them show a deep understanding by Kazakhstan citizens of today's problems and ways to resolve them effectively.

In addition, the Constitutional Commission conducted consultations with the developers of the drafts of the Constitutions of Russia, Belarus, and Kyrgyzstan, and findings were received from the international association on human rights and the American Bar Association, as well as specialists from the U.S. Library of Congress research center, judges, and university professors. Also taken into account were comments made by members of the CSCE, human rights groups, and professors of law from France, Denmark, the United States, and several other countries.

As you realize, by far not all proposals and comments were considered, especially since many of them are mutually exclusive. Therefore, dwelling briefly on some discussion questions, I want to direct your attention mainly to those changes that, according to the results of the national discussions, were introduced into the draft by the working group and approved by the Constitutional Commission.

I will emphasize that we were guided in our work not only by a desire to create a truly democratic constitution that conforms to the norms of international law. We also proceeded from the fact that we need a constitution that will unite the people. Not one of its paragraphs should evoke discord, inflame the situation in society, and incite confrontation. We must openly discuss any critical questions and find the kind of resolutions for them that will conform to our principal policy, which envisions the guarantee of equality of all people in a multinational state. I will never stop repeating: The unity of all Kazakhstan citizens, harmony, and peace are the basis of all of our successes in reorganizing society.

Therefore, I will begin with problems that resulted in the biggest number of diverse but equally emotional comments of citizens of the republic. The question concerns the eighth paragraph of the basic constitutional structure concerning the status of languages in our state. Three years ago, we recognized Kazakh as the state language and this decision has not infringed on anyone. Something else played a negative role—the hasty decisions regarding the introduction of business work in the Kazakh language that were turned over to the arbitrary rule of inveterate bureaucrats, and it was on this basis that a certain tension arose in society, which, I will say frankly, "well-wishers" outside Kazakhstan's borders started to stir up intensely.

But the language problem should in no way be an object of cheap populism and demagogic speculation. Does anyone really think that, after abrogating an already approved law, we will be able to expect calm in Kazakhstan? Does a really unbiased person not understand that the situation with the Kazakh language today is close to critical? The language of many generations of ancestors of our common motherland must not die. Does anyone really want to become mute through his own will?

Our language policy in laws and real life should guarantee respect both for the Kazakh and the Russian languages, and the languages of the national minorities.

But I will note that to yell loudly about the state status of the Kazakh language means only to exaggerate the outward form of patriotism. The main thing lies elsewhere—in every way possible to contribute to the real formation of Kazakh as the state language. Of course, painstaking work and considerable resources, which are in extreme shortage today, will be expended on this.

We are convinced that a phased, sensible introduction of the Kazakh language into business correspondence

should not mean the removal of the Russian language from it which, incidentally, is one of the official languages of the UN. The lack of knowledge of the Kazakh language by a substantial part of the population of the republic is our pain and tragedy, which we will overcome. But fluent mastery of Russian by practically all citizens of Kazakhstan is an absolute advantage of the present and future republic, inasmuch as this really is a language of international communication that now fulfills a tremendous role in the international relations of the country and its access to the achievements of the world's civilization.

But the fact is that the term "language of international communication" itself, as has been noted many times, does not carry a specific legal weight. The function of a language of international communication can be filled by any language through the mutual consent and choice of the citizens. It does not entail any kind of legal consequences and recognition of languages as cultural possessions. It is for this reason that, while trying to find a true resolution of the kind of problem that disturbs everyone, we dwell on the following wording of the eighth paragraph of the basic constitutional system:

"The Kazakh language is the state language in the Republic of Kazakhstan."

The Republic of Kazakhstan guarantees the free functioning of the Russian language equally with the state language.

Citizens are guaranteed the right to use their native language.

Restriction of the rights and freedoms of citizens on the basis of a lack of command of the state language is prohibited."

I appeal for support of this interpretation.

Another important statute of the basic constitutional system, which required clear interpretation, was the principle of separation of powers. It is very comforting that at the last meeting of the Constitutional Commission everyone agreed to the main point: to an understanding that it is implemented only on a republican level, and a recognition of the necessity to follow this principle consistently throughout the entire content of the supreme document of the state.

This means, first of all, that parliament is the sole legislative authority, and that a hierarchical vertical line of representative organs is absent.

This is why, as I already noted at a meeting of the Presidium of the Supreme Soviet, it is better to give the decision of the parliament a somewhat changed wording, stating that it "...is the permanently acting and only organ that implements the legislative power given to it by the people." Incidentally, this kind of wording quite logically ties in with the fourth paragraph of the section "Fundamentals of the Constitutional System," which

notes that "the people of Kazakhstan are the possessors of the sovereignty and the only source of state authority of the republic."

At a recent meeting of the Presidium of the Supreme Soviet, we arrived at the general opinion: Pursuing even further the logic of the separation of powers and the creation of a flexible mechanism of counterbalances, it is advisable to grant the president the right to appoint the heads of local administrations, to establish the Cabinet of Ministers by himself, while submitting only the candidacy of the prime minister for ratification by the parliament.

Undoubtedly, independence does not mean a lack of responsibility and, especially, permissiveness. It was decided that the draft Constitution should stipulate the procedure, for relieving members of the Cabinet of Ministers of their duties in the event of repeated violations by them of the Constitution and the laws. In addition, the parliament has the right to submit to the president the question of removing a member of the government from office. This norm, in my opinion, rather clearly reflects the role of the president and parliament regarding the Cabinet of Ministers.

Emphasizing the extent of the independence and significance of the latter, its powers could be put into a separate chapter. And this will not be a pointless structural restructuring. Let us speak frankly. Are those right who, thinking that the president should work without a government, cite the United States as an "irrefutable example?" I am convinced that they are not. They are wrong, if for no other reason than that the relationship of private and state property in the United States and in Kazakhstan are absolutely different, and this difference will not be eliminated quickly. Thus, who will regulate the state sector of the economy in our country, if not the Cabinet of Ministers?

And if it is axiomatic that it is necessary to have a cabinet with clearly outlined powers, then unquestionably the role of the prime minister, who heads the government, should also be enhanced.

Here I want especially to emphasize that during the preparation of the draft Constitution, one of the most complicated questions proved to be the state system. It finally was necessary to take a position: What form of governing responded in the greatest measure to Kazakhstan's internal condition? What should our republic be—presidential, parliamentary, mixed?

As is well known, under the Constitution that is currently in force, the president is elected nationally, combining in himself the functions of the head of state and executive authority, which to a significant degree conforms to the principles of a presidential republic. However, it was not this fact that first and foremost dictated the choice of the Constitutional Commission. The much weightier arguments were the transitional nature of our epoch, the complexity of long socioeconomic reorganizations, and the vast territory of the state and its ethnic

composition. All of this spoke in favor of the presidential republic and a strong executive power.

I hope that you, as also the members of the Presidium of the Supreme Soviet, will agree that a tough executive vertical line is needed not for the usurpation of power. Under modern conditions, only it will be able realistically to guarantee the very existence of the legislative and judicial organs and a flexible separation of their powers. Only it will make it possible to implement radical reorganizations, to pull out of the hyperinflationary spin, to stop the orgy of crime and legal arbitrariness, and, of course, simply to ensure the minimal socioeconomic foundation that will make it possible to move ahead on the road to stability and progress.

These are not just empty words—practice has already proven their truth. Look at the Republic of Korea, Turkey, Pakistan, the postwar FRG, and France. Only a strong executive authority made it possible for all of them to achieve impressive successes. Look at the United States, whose citizens applauded the guarantor of observance of their rights and freedoms—President Bush—who decisively and fairly suppressed the riots in Los Angeles. Indeed, there is no need to go that far away! It is perfectly obvious to us above all that, without a head of administration and without a tough presidential pyramid, we would not have been able to gather that rich harvest that now makes it possible to look calmly to the near future.

Note that I am not talking about granting the president any kind of special powers, as is the case in individual CIS states. I am talking only about clearly specified constitutional rights, without which the effective work of the entire state mechanism is impossible.

However, they still need refinement, although I will note that the draft includes the right of the president to appeal with messages to the people and parliament of the republic, and also the right to appoint heads of local administrative organs. Terms have been specified for the presidential veto of laws passed by parliament. Constitutional principles for the declaration of a state of emergency by the president have been outlined. The possibility of his dismissal has been regulated. The rule has been reinforced that in the event that the powers of the vice president are curtailed ahead of time, a new candidacy is coordinated by the president with the parliament of the republic.

All of this will make it possible, in our opinion, first, to complete the complex constitutional regulation of all vertical lines of presidential authority from top to bottom; second, to strengthen the guarantee of the impossibility of its absolutization and, at the same time, not to permit the "collapse" of presidential authorities; third, to rule out any kind of pressure on the process of their implementation, and, fourth, to enlarge the opportunities of the president to take part in the law-creating process.

I want to emphasize a very important fact. In determining the powers of the president, the parliament, and the Cabinet of Ministers, we proceeded on the basis that the people of the Republic of Kazakhstan are the bearers of sovereignty and the source of state powers. The people implement state power on the basis of political diversity by means of election and recall of its representatives, participation in referendums, and through legislative, executive, and judicial authority. And, I think, there should be no doubt that only elected representatives—the president and parliament of the republic—can speak in behalf of the people. Only they should also possess the right to make decisions on the conduct of a referendum.

As the national discussion of the draft has shown, the citizens of the republic have different attitudes on the introduction of new legal institutions—dissolution of the parliament and dismissal of the president from office—which, I will note, were examined by the Constitutional Commission at my initiative. As is well known, they are the most important elements of the system of checks and balances employed in the practices of many countries of the world—France, Italy, Germany, the United States, India, and others. It is of no small importance that impeachment and the dissolution of parliament, predetermined by a referendum, will make it possible to guarantee a mechanism for real democracy.

However, a majority of the members of the Constitutional Commission are in favor at the present time of denying a constitutional consolidation of the ability to remove the president from power and to dissolve the parliament of the republic. They argued their position from the standpoint that an analysis of events taking place in Georgia and Tajikistan, the precedent of serious disagreements between the presidents and parliaments in some CIS states, and also an objective assessment of our political and legal culture indicate the real threat of transforming such instruments as the recall of the president and the dissolution of parliament into a heavy club over the heads of the authorities.

Undoubtedly, there is logic in these considerations and in adopting the Constitution, we must not lose touch with reality. Therefore, I want to emphasize that I consider that our most important task is to guarantee the stability of the institutions of authority and to eliminate the possibility of a constitutional crisis. To permit a reshuffling of authorities now means to subject the state to an abyss of total chaos. Kazakhstan can become a unique model of political and legal stability within the framework of the CIS. We must apply maximum efforts so that all authoritative organs of the republic work through the full term of their powers.

This also concerns the judicial organs, about whose prospects of functioning there are two opinions: Retain them in their present form, or establish a single judicial system. The principal advantages of the second opinion are obvious in the event of the effective activity of the judicial pyramid, which the Constitutional Court or the chamber is summoned to crown. At the same time,

reforming its upper part without appropriate changes in the foundation, which will require more than one year, will lead to a paralysis of the judicial organs in the localities and will compel starting the formation of legislative and all judicial structures from scratch. According to the opinion of some members of the Constitutional Court and the Republican Union of Jurists, it is impermissible to do this, when society is just beginning to understand the ABC's of democracy and the state is rushing into legal excesses.

In addition, it is necessary to take the political aspects of this question into account. We must create all of the conditions for the formation of a third power that is capable of expressing its unbiased opinion both to the president and to parliament, especially when the matter concerns the precise implementation of the Constitution. It is this that the Constitutional Court is called on to do.

Another question is the clear delineation of powers of each of the judicial authorities, which does not exist to this day. Thus, it seems that the Constitutional Court itself should not examine specific criminal and administrative questions and also initiate proceedings on its own initiative, thereby acquiring prosecutorial functions.

Continuing this theme, I want to note that the principle of independence, freedom, and the total impartiality of court procedures requires that the system of judicial organs and the appointment of judges remain outside any party considerations and political differences that are inherent in parliament.

In a majority of today's democratic countries, the right to appoint judges is granted to the president, who does this on recommendation of the supreme (or chief) justice.

Therefore, I recommend to the editorial board a pertinent article in the following form:

"The president, with the consent of the parliament of the Republic of Kazakhstan, designates members of the supreme and higher court of arbitration of the Republic of Kazakhstan to conduct the appointment of judges to the lower courts."

At the same time, considering the enormous significance of determining the candidacies for judge and questions of administering justice, it would be expedient to establish a special organ—a superior judicial council—and to endow it with appropriate powers.

In this case, the draft of the Constitution can be supplemented with this kind of article:

"The guarantor of the independence of the judges is the president of the Republic of Kazakhstan, who heads the Superior Judicial Council, which examines questions of the organization of administering justice, the appointment of judges, their replacement and deprivation of powers, and the application of measures of encouragement and penalties to them."

Members of the Superior Judicial Council are the chairman of the Supreme Court, the minister of justice, and the procurator general of the Republic of Kazakhstan, three persons appointed by the president of the Republic of Kazakhstan from among lawyers and other specialists in the sphere of law, and three deputies delegated by parliament.

The state provides social, material, and other guarantees of their independence that are appropriate for the high status of judges.

The chapter on rights and freedoms occupies a central place in the draft Constitution. Their range is outlined on the basis of the realities that have emerged in the republic, taking into account widely accepted world constitutional practice. It is important that the proclamation in the basic law on rights not be made for effect, as in previous Constitutions, but that it is real. Otherwise, we risk the loss of confidence of the citizens in the very idea of a Constitution. Therefore, it is not enough to establish constitutional rights and freedoms; it is necessary to provide them with systematic and reliable guarantees that ensure their implementation.

It is this idea specifically that was heard repeatedly in the course of the national discussion of the draft. The largest number of questions was raised by existing references to current legislation whose presence many view as a potential threat of substantial restriction on constitutional rights and freedoms. Remarks on the impermissibility of such a restriction by current legislation is also contained in the findings on the draft by authoritative international organizations. In this connection, a new wording of Article 2 is proposed that permits the removal of the cited norms in the chapters on rights and freedoms, and it also clearly regulates possible cases and the procedures for their restriction.

The biggest number of proposals and remarks—about 5,000—came in on the chapter concerning economic and social rights. A significant part of them is directed at strengthening pertinent guarantees established by the Constitution without taking into account the realities of forming a market economy in the republic. On the whole, these kinds of proposals carry the imprint of our recent past and transfer to the new society being formed the frame of mind of a distributive and parasitical mentality. The natural moderation of the draft on the question of socioeconomic guarantees is perceived by many as a priori painful. What is more, some are proposing a reproduction of the wording of pertinent articles of the Constitution of the USSR and the Kazakh SSR ((Soviet Socialist Republic)).

Quite a few people expressed bewilderment and even outrage in connection with the absence in the draft of the right to work. But it is important to understand that the very idea of a state-guaranteed "right to work" could arise only under conditions of the supremacy of the

leveling psychology in a society whose members do not have natural incentives for intense and highly productive work.

However, I have already said repeatedly that in ratifying the Constitution, we must not divorce ourselves from life, and we must not forget that it is impossible at one stroke to move from decades of totalitarianism to a mature democracy. In this case, apparently, a concession must be made to the mass conscience. The fact also has to be considered that the right to work being restored in the draft is blessed by basic international-legal documents. Based on this, a compromise wording of the pertinent articles in the draft is being proposed, on the one hand proclaiming the right to work, and, on the other hand, giving scope to the development of market relations and free commodity production.

It was also considered necessary to guarantee the rights of citizens of the republic to free medical service and education in state institutions. Their material base was created with difficulty by more than one generation, and the financing was accomplished at the expense of the taxpayers. At the same time, it is impossible to agree that the presence in the Constitution of such provisions is incompatible with the demands of the market economy, inasmuch as the draft gives free range to the development of private systems of health care and education.

Article 6, which is devoted to the main constitutional duties of citizens, supplements the scope of duties with the duty to respect the state symbols of the republic. I think that everyone will support this provision, which is aimed at strengthening the authority of the state.

In addition, the new wording sets forth an article on military service. It makes it possible to stipulate in current legislation service beyond the republic's borders, with the concurrence of the serviceman, and the contract system as a basis for performing service and a means of the professionalization of the Armed Forces.

In the chapter "The Fundamentals of the Economy," the mention of collective property was excluded. The whole civilized world knows only two types of property: private and state (or public). At the same time, the property of individual citizens and associations, for example, joint-stock companies, associations, etc., is classified as private property. Therefore, assertions are groundless that repudiation of the category of collective property deprives the kolkhozes, artels, and certain other labor associations of a constitutional basis. It is necessary to determine unequivocally which of them should be classified in the category of private property—that is, clearly establish the specific portion of the property that goes to the citizens and the portion that is state property.

Equally unsubstantiated are attempts to apportion the property of public associations of citizens, including religious associations, into independent collective ownership and, thereby, to argue for the need to retain this concept in the Constitution. Although the property of public associations possesses certain features, it is not

classified as state property, and at the same time it does not perform the functions of private property, inasmuch as it is directed not at the protection of private economic interests, but at the creation of a material base of public or religious activity—nowhere in the world is it classified in the collective category. As a rule, the legal regime of property of public associations is established by the legal regime of private property close to it.

It was decided in this chapter to stipulate clearly that free enterprise relates only to private structures. Granting state structures free enterprise is unacceptable, inasmuch as it leads to the kind of commercialization which makes implementation by them of pertinent state functions extremely difficult. At the same time, not only are the rights of the state as an owner restricted, but the ability to govern the economy of the republic is threatened, including in branches that are vitally important to it.

The chapter on the territorial organization of the state and local self-government underwent substantial changes. Undoubtedly, in its final approval, it will be important to consider that under conditions of a really unitary and territorially integral state it is impossible to get involved with the constitutional regulation of questions at the local level. It is more expedient to turn them over to the full jurisdiction of current legislative regulation that guarantees the necessary flexibility and variation.

In the chapter on "Elections," on the one hand, democratic principles of the organization of the electoral process are strengthened, and, on the other hand, the specific conditions of our republic are reflected more clearly.

Elected through direct and general elections, the president should receive the support of a really big part of the population of the republic. It is in this case that the actions of the chief of state receive legitimacy—he himself and his executive power—and the necessary *carte blanche* for the conduct of decisive reform reorganizations. Therefore, the last variant of the draft stipulates that the one who is elected to the post of president is the one who has collected a majority of the votes not from the number of those who voted, but from the total number of voters on the electorate rolls.

I think that an analysis of the current sociopolitical situation, which is characterized by the formation of political parties, compels us to think about the feasibility of establishing procedures in the Constitution for elections to the parliament of the republic. Today, apparently, it is impossible simply to support the conduct of elections according to a single-seat election district, inasmuch as the election of the next makeup of parliament according to party rolls is quite likely.

Of course, it is difficult to dwell in this report on all of the changes submitted by the commission and to substantiate the rejection of a whole series of proposed amendments. Therefore, I will make the reservation immediately that for principal considerations, proposals

were not accepted on the exclusion from the draft of norms concerning the possibility of applying the death sentence; concerning the assignment of rights of legislative initiative to public associations; concerning the entrusting to public associations of functions of state organs, and concerning the establishment of a bicameral parliament.

Apparently, it is necessary to dwell on the last point specifically. Actually, a bicameral structure of parliament exists in a majority of the states of the world. Its main idea is to guarantee the stability of the functioning of parliament under conditions of a multiparty system, and continuously to improve the legislative process. The mother of parliaments—England—initially saw it as an organ in which the opposition forces resolve their contradictions. It is there, and not on the street, that all ideological emotions are supposed to be vented.

The Constitutional Commission received more than 60 proposals concerning the introduction of a similar structure in the parliament of the republic. However, it supported a unicameral parliament, taking into account the striving of the state with such a structure specifically for a single-seat system that ensures the efficiency of creating legislation that is important in the stage of radical reorganizations.

It must be said that, according to the draft Constitution, the parliament is given broad powers. As I have already said, it is the only legislative organ of state authority. Questions are raised at the session of parliament concerning changes to the Constitution and to borders, laws are passed, and procedures for the resolution of the administrative-territorial system are established. Traditionally, a paramount role is given to it in the examination and approval of the budget, including its currency part, and in the control over the implementation of the budget. Only the legislative organ of the republic establishes state taxes and collections.

It should be emphasized that the people's deputies are granted the right to resolve questions on state loans, to render economic and other assistance to the republic, and to ratify and denounce international treaties.

Individual innovations regarding the powers of parliament and its officials are directed at defining these powers of the highest legislative organ of the republic in a comprehensive way.

The novelty of the pertinent chapter is given first and foremost by the provision that deputies of parliament are the representatives of the people of the republic. The essence of this provision is that it proposes a rejection of an imperative mandate, under which the deputy represents the interests first of all of his own constituents, to whom he is accountable and by whom he can be recalled. In contrast to the imperative mandate, the deputy of parliament, who is given a free mandate, is not bound by orders and other obligations to the constituents, and he represents not only their interests, but also the interests

of all of the people. Undoubtedly, his relations with his own electorate are not excluded entirely.

During discussions on the draft Constitution, the question concerning the designation of a republican legislative organ was raised repeatedly.

A starting point in its establishment is the recognition of the right of the people of the republic themselves to legislate, and they delegate this right to the only and permanently operating organ that carries out legislative authority. No other organs enjoy legislative functions.

Thus, our customary concept of a single system of soviets collapses, and a clear line emerges between the legislative and representative organs. This is why there cannot be a "supreme" organ that stands at the apex of a nonexistent pyramid.

In addition, it is obvious that in selecting a name for the institution, it is advisable to proceed on the basis of its main purpose, content of powers, functions, order of formation and activity, specific features, and the national traditions of Kazakhstan.

The name "national legislative assembly" corresponds in the greatest measure to the logic of such considerations.

It should be noted that despite the complete patency of the need to adopt the basic law, some people, nonetheless, have raised doubts about it, asserting that a constitutional act of a temporary nature is needed in the transition period, and that it is possible to restrict oneself to the introduction of appropriate amendments to the Constitution in effect.

I will say outright: This question does not raise any doubts in our minds. But it must be assumed that the discussion of the draft has not yet ended. It is necessary also to take your proposals into account, and the results of the work of the impending session of parliament.

In our opinion, the necessity of adopting a constitution seems obvious for the following reasons.

First, on the political plane, every state that has arisen on the wreckage of an empire strives for self-assertion, including by means of replacing the former legal system that characterized it as an organization dependent on the center of the empire. And this most of all concerns the Constitution—the core of the whole legislative base of the emerging state.

Second, from a purely legal standpoint, the formation of new social formations occurred, and is occurring to the present time, by means of the introduction of amendments to the obsolete but still operating Constitution, and also through acts of the president and the Cabinet of Ministers. But this by far is not the best path for constitutional construction, when the basic law changes under the conditions of current legislation, which inevitably leads to a decrease in its authority.

Third, a legislative act is needed that ensures a flexible division of state authoritative powers on the basis of an effective system of mutual checks and balances.

Fourth, there is a need for a constitutional consolidation of rights and freedoms that can be protected realistically with the help of a capable judicial authority.

Fifth, there is a need for constitutional guarantees of the territorial integrity of Kazakhstan, about whose significance it is most likely not necessary to talk in this auditorium.

Also of no small importance is the foreign policy aspect. The Republic of Kazakhstan can become a worthy and equal member of the world community only in the event that our Constitution shows to the whole world that Kazakhstan holds human values above all else and joins the world community only with the good intentions of good neighborliness and cooperation.

In concluding my speech, I want to emphasize once more: We must adopt the first Constitution of the new independent state. The endeavor to make it unshakable for a long time is naive. But it must become a firm basis for movement forward under the conditions of formation of a democratic society and affirmation of market relations. Our civilized future depends on how soundly, sensibly, and responsibly we approach this task.

Supreme Soviet Discusses State Language Problem

93US0243B Moscow NEZAVISIMAYA GAZETA
in Russian 15 Dec 92 p 3

[Article by Sergey Kozlov: "Kazakhstan: The Language of the Constitution Must Be Understood by All: Discussion of the Basic Law Has Been Postponed Until January"]

[Text] The discussion of the draft Republic Constitution continued at the Supreme Soviet session. This time President Nazarbayev did not participate in the discussion and left the hall an hour after the session began.

Just like during the previous days, the deputies criticized the draft's "language" wording and the "mandatory nationality" of the head of state and the majority of them advocated the presidential form of rule in Kazakhstan.

The president's last speech was also actively discussed. In the opinion of Parliamentary Committee on Development of Industry, Transportation and Communications Issues Secretary Deputy Boris Belzh, "the president's speech causes at least bewilderment. If it is not clear to the head of the constitutional commission how the republic's pyramid of highest power should look, than what does he want from the deputies? The document itself, as Nursultan Abishevich's speech demonstrated—is quite unfinished and we should hurry to adopt it. Moreover, discussion of the law enforcement

activity concept, judicial reform, and the defense doctrine have been placed on the agenda besides discussion of the draft Constitution. Our state has still not been defined in many spheres and, in the near future, we will be compelled to amend the text of the Constitution that we are planning to adopt right now."

The Supreme Soviet Committee on Deputies' Powers and Human Rights Chairman Murat Rayev directed attention to the problem of the state language in the republic: "Unfortunately, today the psychology of the confrontation of Kazakhstan's two major ethnic groups is being expressed in the issues on language," he said. In Rayev's opinion, "the very text of the Constitution is too wordy and solemn. The language of the Constitution must be understood both by a shepherd and by the president."

Nevertheless, according to many observers, Kazakhstan's Constitution will be adopted at this session. We must take into account that Kazakhstan does not want to lag behind neighboring Kyrgyzstan where that issue has been practically resolved. Furthermore, the Constitution is a mandatory attribute of independence, a document that officially and finally certifies the conclusion of the "divorce process" with the former Union.

...

On Saturday and Monday, parliament began to review the drafts of the republic's national hymn. More than 200 variations of the national hymn have been submitted. The musical version of this symbol of independence has remained as before but they also need to adopt the new text.

Prime Minister Sergey Tereshchenko who, according to the initial rule should have submitted the latest anti-crisis program at the end of last week, requested that his report be delayed until Tuesday. Based on the demands of some members of parliament, the cabinet head must also account for the course of the reforms being conducted in Kazakhstan.

The Supreme Soviet will continue its work after a short break caused by the observance of Independence Day on 16 December.

REGIONAL AFFAIRS

CIS Seen Emerging as New World Narcotics Center

93WD0237A Moscow IZVESTIYA in Russian
26 Dec 92 Morning Edition p 4

[Article by Yuriy Kovalenko, IZVESTIYA correspondent reporting from Paris: "New Drug Power Emerging in Ruins of USSR, Warns Alain Labrousse, Director of the Geopolitical Observatory for Narcotics Tracking"]

[Text] The former Soviet Union could become the new world center of the drug trade, and Tajikistan, Uzbekistan and Kazakhstan could become a "golden triangle" of opium and hashish production like the one that already exists in Southeast Asia.

All the prerequisites for this are in place: recently the area of land sown in poppies and cannabis in Central Asia has increased by factors of five to 10. For some time now the Russian and "Caucasian" mafias have been making gradual efforts to take control of the trade in "white death," and they are establishing contacts with the Italian mafia, which wants to procure drugs cheaply in our country. In this scheme Moscow will apparently serve as a transshipment point through which opium, hashish and other similar "medications" will flow from Central Asia to Europe.

That was the alarming picture painted during our correspondent's interview with Alain Labrousse, head of the Geopolitical Observatory for Narcotics Tracking. Established in Paris two years ago, this institution has representatives in 50 countries around the world and enjoys the support both of the French authorities and of the European Communities Commission. It has at its disposal various sources of information and maintains contacts with the police and—unofficially, of course—with mafia circles as well.

Alain Labrousse blames the unprecedented drug boom in the Central Asian republics primarily on the worsening economic crisis in those areas. It is becoming more and more profitable for collective farmers in those countries to cultivate and sell poppies, cannabis and other crops from which narcotic substances can easily be manufactured. According to data from the Geopolitical Observatory, there are 138,000 hectares of cannabis in the Chu River Valley of Kazakhstan, not far from the city of Dzhambul. Similar areas in Russia are estimated to cover one million hectares.

Another effect of the crisis has been cutbacks in financial subsidies to law enforcement agencies in the Central Asian republics normally used to combat this "white death." As a result those agencies are unable to carry out effective operations to find drugs and destroy fields of cannabis and poppies.

Another factor is the civil war in Tajikistan, which has an open border with Afghanistan, presently one of the world's largest opium producers. Opium is used by the people of both countries as a sort of "local currency." For instance, according to the Geopolitical Observatory's newsletter one-half kilogram of opium will buy a pair of shoes in Dushanbe. In 1992 opium production in Tajikistan doubled.

The mafia that operates within the boundaries of the CIS, notes one of the reports received from Moscow, is with enviable efficiency actively striving to establish contacts with its Western colleagues, the Italians in particular. It helps the latter "launder" drug dollars and invest them in privatization through the new banking network. A. Labrousse also claims that the ranks of mafia structures are being reinforced by former KGB personnel.

"We possess information," says A. Labrousse, "indicating that Afghan heroin is entering Finland via transshipment points in the Baltic republics." Furthermore, not long ago police in the port of Barcelona discovered one-and-a-half tonnes of hashish on board a Russian vessel. In Russia itself, in September 1992 the militia seized the dangerous drug LSD for the first time in Russian history. According to the Geopolitical Observatory's reports, its director stated, in mid-November the Moscow militia uncovered a gang of 26 Azerbaijanis who were, among other things, selling heroin. It had been manufactured—for the first time within the territory of the former Soviet Union—in a laboratory in Azerbaijan. Money from the sale of it went to purchase weapons to be used in the Nagorno Karabakh war.

And so out of the ruins of the former Soviet empire there is emerging a mighty drug power, the appearance of which is fraught with danger for all of Europe. That warning was also sounded at an international colloquium recently held in Paris under the sponsorship of the Geopolitical Observatory for Narcotics Tracking and with financial support from the European Communities Commission. Along with leading experts from East and West, the colloquium was attended by guests from Russia—Valentin Roshchin, head of the Ministry of Internal Affairs Anti-Narcotics Brigade, and Anatoliy Kirillov, his deputy.

ARMENIA

Karabakh's Petrosyan Visits United States*93US0269A Moscow NEZAVISIMAYA GAZETA
in Russian 26 Dec 92 p 3*

[Article by Armen Khanbabayan, under the "Armenia" rubric: "The War Will Not End Next Year (Karabakh Leader's Visit to the United States)"]

[Text] After Georgiy Petrosyan, acting chairman of the Nagorno-Karabakh Republic Supreme Soviet, returned from his trip to the United States where he was invited by the local Armenian organization Aydat, he met with a group of journalists in Yerevan and spoke to them about the results of his trip. The goal of his visit was to establish direct contacts with various forces in the Armenian diaspora, to clarify the position of Nagorno-Karabakh in the conflict for the mass media, and to meet with some American officials. According to Georgiy Petrosyan, all these tasks were successfully completed. He met with the U.S. State Department representatives responsible for relations with the CIS countries; he also spoke with some of the congressional officials responsible for U.S. activity within the CSCE framework. Judging by all appearances, no specific changes occurred during the meetings in the position of the American side with respect to the Nagorno-Karabakh problem. However, Georgiy Petrosyan realized that the new American administration felt very high interest in the issue. The new administration is trying to formulate its own approach at the moment but it is hard to say yet whether this approach will differ distinctly from the position displayed by President Bush during recent years. At any rate, an understanding seems to be growing in the United States of the fact that any encroachment on the legal rights of the Nagorno-Karabakh people means an attempt to thwart democracy and this, of course, concerns the Washington officials. Georgiy Petrosyan's meetings with representatives of the U.S. Armenian community turned out to be more fruitful. He learned that the deep concern of American Armenians for the fate of their Nagorno-Karabakh compatriots made them forget about the traditional diaspora feuds. Among other things, American professionals of Armenian descent are preparing to help with the reconstruction of Nagorno-Karabakh industry and agriculture; they are also happy to arrange contacts between representatives of the Nagorno-Karabakh economy and American business circles for the purpose of developing wide business cooperation. Being a member of the Dashnaksutyun Party, Georgiy Petrosyan took part in the celebration of the 102d anniversary of the party. He admitted to having occasional differences of opinion with some officials in Nagorno-Karabakh or even in Armenia; this, however, did not prevent them from conducting a generally common policy aimed at strengthening their independence. G. Petrosyan commented negatively on the well-known initiative of Ashot Bleyan from Armenia but he did not find anything exceptional or traitorous in his behavior and said that no person should be persecuted

for his way of thinking and views on how to resolve a problem. Here we have to remind that Bleyan went to Baku on a personal initiative with some peacemaking proposals. "It is true that Bleyan has arrived at his principles without having even visited Nagorno-Karabakh and we want to invite him to Stepanakert so that he can either confirm his ideas or reject them," added Georgiy Petrosyan.

Georgiy Petrosyan repudiated the recent opinion expressed by the Armenian president's press secretary in which he said that the war was probably going to end in 1993 because both sides were exhausted and they established a parity of weakness. The Nagorno-Karabakh leader thinks that in spite of everything Azerbaijan continues to rely on a military resolution of the problem and that means that Nagorno-Karabakh will continue to fight for its existence. According to Georgiy Petrosyan, the war can end only after Baku completely gives up its hopes of suppressing Nagorno-Karabakh by force. He refused to give a political evaluation of the events in Russia because he thought that would be premature. However, the events in Moscow, added Petrosyan, would be most seriously analyzed in Stepanakert. A year ago, Nagorno-Karabakh held a referendum on independence but if, in the long run, the people wish to unite with Russia on the basis of their historic rights, a new referendum cannot be excluded.

Official Denies Radiological Weapon Report*93US0269B Moscow TRUD in Russian 29 Dec 92 p 2*

[Article by Gagik Karapetyan: "Not for Revenge, but for Warming Up"]

[Text] Yerevan—"No weapons of mass destruction have been or are being built in Armenia," said Eduard Simonyants, first deputy national security adviser to the Armenian president, to a TRUD correspondent. "The 'canard' that was spread with reference to the use of processed fuel from the Armenian nuclear power station for charging bombs and warheads is totally absurd from the scientific and research points of view and in political respect it is a provocation."

First, it might take a year or more to re-fire the Armenian power station that was stopped after the Spitak earthquake of 1988 (if the local authorities decide to pass this long-awaited decision). Second, as our correspondent learned in the Russian science center, Kurchatovskiy Institute, the old, processed nuclear fuel is not sufficiently radioactive to be used as a radiological weapon.

Distribution of Food Coupons Reported*93US0269C Moscow TRUD in Russian 30 Dec 92 p 1*

[Article by Gagik Karapetyan: "Rationing Does Not Provide Enough Food Either"]

[Text] Yerevan—Armenian Prime Minister Kh. Arutyunyan gave instructions to provide rations of certain food

items to republic citizens for the New Year. Under the condition of an economic paralysis each Yerevan resident will be able to receive the following "gourmet" foods: 650 grams of meat, 1,200 grams of sugar, and 400 grams of butter; village residents are allowed the same food items but in smaller quantities. According to the information of the government press service, some of these rare products are in local storage facilities already, the rest of them are being delivered by trains and cargo planes.

Meanwhile, the leading medical and statistical figures of Armenia composed the December "consumer basket" and it sets the minimal monthly requirements at almost three kilos of meat, among other items, 1.5 kilos of sugar, and 660 grams of butter. Unfortunately, the possibilities of Armenian authorities fall far behind the minimal living standard to ensure that every Armenian needs a monthly income of about 7,500 rubles [R]. But the average salary or pension in Armenia is almost one-fourth of this sum and the students' stipends were recently increased to R1,000. Therefore, nobody was surprised here when over one-third of Armenia's 4 million residents found themselves below the poverty line after the recent and, naturally, not the last jump of prices.

AZERBAIJAN

New Offensive in Karabakh Reported

93US0268A Moscow NEZAVISIMAYA GAZETA
in Russian 25 Dec 92 p 3

[Article by Aydyn Mekhtiyev: "Pre-New Year Offensive of Azeri Forces: Settlement of the Karabakh Conflict Within CSCE Framework Remains Problematic"]

[Text] According to a report of the information and analysis center of the Azerbaijan Defense Ministry, the successful offensive of units of the Azerbaijan National Army begun at dawn 22 December resulted in the complete destruction of military facilities of Armenian formations on the border between Krasnoselskiy Rayon in Armenia and Kedabekskiy Rayon in Azerbaijan. The defense department report emphasizes that "Armenian forces have recently subjected the Russian-speaking villages of Novosaratovka and Novoivanovka, in Kedabekskiy Rayon, to regular shelling from the commanding heights of Krasnoselskiy Rayon. This has led to significant destruction and casualties among the peaceful population." As a result of the operation conducted by Azeri forces, about 170 enemy soldiers and officers were killed; five artillery systems were destroyed, as were several armored fighting vehicles and tanks. It was also reported that on 23 December, an Armenian reconnaissance aircraft was shot down in the skies over Kedabekskiy Rayon. The Azerbaijan Armed Forces Command reported in the local mass media that operations to destroy enemy military facilities would continue along the entire state border.

As we know, Azeri forces earlier took control of the village of Artsvashen, located in Azerbaijan's Kedabekskiy Rayon. The defense department reported also that control by Azeri forces was fully restored at the end of last week over population centers in Zangelanskiy Rayon in Azerbaijan, which had been occupied as a result of a sudden attack waged by the Armenian Army the beginning of December.

Commenting on recent events in the region, Azerbaijan Minister of Foreign Affairs Tofik Gasymov emphasized at a press conference in Baku that the Armenian side is evading a peaceful resolution of the Karabakh issue. He stated that evidence of this could specifically be seen in the fact that, on the very threshold of the Stockholm meeting held on the level of CSCE ministers of foreign affairs, Armenian forces treacherously invaded the territory of Azerbaijan and seized 15 villages. According to him, the failure of peace negotiations conducted under the aegis of CSCE, which as we know were cut off in autumn of this year, can be explained by the fact that no success was achieved within the CSCE framework to work out a mechanism for applying sanctions against a side which would violate the obligations it had assumed.

Our NEZAVISIMAYA GAZETA correspondent asked Araz Azimov, head of the Directorate of International Organizations of the Foreign Policy Department of Azerbaijan, to comment on the statement of the Azerbaijan minister of foreign affairs. "The reference," he stressed, "is to the fact that the principle of consensus, taken as the foundation of CSCE, does not allow a decision to be made on declaring Armenia an aggressor country. This is why Armenia, understanding that its actions will go unpunished, continues to seize more and more territory in Azerbaijan. Under these conditions, CSCE must look for new approaches to resolving this situation." Azimov, who took part in the Stockholm meeting on the expert level, set forth the position of the Foreign Policy Department of Azerbaijan to the representatives of the CSCE countries. This position consists of the following: the Azeri side does not consider it possible to seriously participate in drawing up new documents on a settlement of the problem until such time as Armenia fulfills in their entirety the obligations it has already assumed as a CSCE member. In his words, Armenia must remove its armed formations from Nagorno-Karabakh, after which a decision might be made on the establishment of international control over the so-called Lachinskiy Corridor. In addition, Armenia must agree with the term "cessation of military activities," which Azerbaijan insists upon. This term envisages not only a cease-fire, but also a ban on any movement of forces and relocation of military units, and in this instance—rejection of the movement of personnel and equipment from Armenia to Karabakh through the Lachinskiy Corridor.

"Armenia is in fact proposing to cease fire for the winter period, with the aim of effecting the supply of large quantities of arms and equipment to Nagorno-Karabakh over this time frame—then, with the advent of spring, to secure convocation of the Minsk conference of CSCE, at

which Armenia will exert powerful pressure on Azerbaijan. This path is entirely unacceptable to us," the head of the Directorate of International Organizations of the Azerbaijan Ministry of Foreign Affairs stated.

Araz Azimov assessed as absurd the accusation of acting Armenian Minister of Foreign Affairs Arman Kirakosyan directed towards Azerbaijan—that the latter had been conducting a policy of economic blockade against Armenia, an accusation he made at the Stockholm meeting. "We are not talking about a blockade, but about severed communications between warring sides during a period of active combat operations. But Kirakosyan's assertion pursues the aim of propagating disinformation to the world community," Azimov stated.

Procuracy Issues Warning to Opposition

93US0268B Moscow NEZAVISIMAYA GAZETA
in Russian 29 Dec 92 p 3

[Article by Aydyn Mekhtiyev: "Procurator General Warns the Opposition: A Decision on Renaming the Language May Deepen the Political Crisis"]

[Text] Ikhtiyar Shirinov, procurator general of the Azerbaijan Republic, issued a statement which reads: "In a situation in which Azerbaijan has been subject to external aggression, certain political groupings within the republic have set as their aim the undermining of political stability in Azerbaijan at any cost. The latest events have shown that, in order to achieve this aim, these forces are even moving towards a rapprochement with criminal elements." Further on in his statement, the procurator sounds a warning that "the procuracy, being the guarantor of the Constitution, will take the most resolute measures in order to terminate the actions of these forces, which are leading the people to an abyss and threatening the very existence of the young Azerbaijan state."

Local observers believe this sharp statement by Ikhtiyar Shirinov was caused by the fact that relations between the ruling People's Front and opposition forces, exacerbated in recent days, have created the preconditions for serious political crisis in Azerbaijan. The situation is aggravated by the fact that growing discontent is seen in the republic population with respect to the socio-economic policy of the ruling Front: the recent edict of President Abdulfaz Elchibey on a fourfold increase in the prices of energy resources has led to a situation

where, with workers and office employees receiving an average salary of 3,000 rubles (300 manat), prices for many varieties of consumer goods, especially food products, have approached the level of the most expensive cities in the CIS—Moscow and St. Petersburg. Under these conditions, the authorities are striving not to allow the conduct of mass political events—rallies, demonstrations, and pickets—which the opposition is attempting to organize. The movement "For Democratic Reforms and Human Rights in Azerbaijan" has expressed anxiety over the present policy of President Elchibey's administration. Lala Gadzhiyev, chairman of the movement, appealed to world organizations which defend the rule of law, issuing a statement which reads: "The events of recent days in Azerbaijan arouse the extreme indignation of the entire democratically oriented community. The gross violation of provisions of the United Nations Charter protecting human rights which the Azerbaijan leadership has obligated itself to uphold can elicit only condemnation on the part of the world community. In fighting for democratic principles founded on humanism and the protection of human rights, we place our hopes in the solidarity of all progressive forces in condemning the persecution of Azerbaijan's opposition forces by the official authorities."

The rushed—as observers believe—decision of the National Assembly on renaming the Azeri language as Turkish (Turkic) has inflamed political passions to a still greater extent. Activists of Azerbaijan's National Helsinki Group Committee conducted an action of protest against this decision of the parliament in front of Elchibey's residence. Arguments of opponents of the renaming come down to the fact that, in view of the importance of this question to all peoples who inhabit Azerbaijan, it should be put forth for universal referendum, that the National Assembly—which the opposition contends is an illegitimate organ—did not have the authority to make such a decision. The fact of the matter is that whereas an overwhelming majority of the Azeri population proper reacted favorably to the parliament's decision, the reaction of minority peoples was far from definitive—the Talysh, in particular, who reside in population centers along the border with Iran and speak a tongue belonging to the Persian group of languages, are hardly satisfied with such a decision. Additionally, there are fears as to the prospect of increased influence among the Lezgins by the separatist movement Sadval, which will obtain an additional trump card for accusing official Baku of "Turkifying" the Lezgins.

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